

The State Board of Regents met at Iowa State University, Ames, Iowa, on Thursday, May 17, 1979. Those present were:

May 17

Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mr. Barber	All Sessions
Mrs. Belin	All Sessions
Mr. Brownlee	All Sessions
Dr. Harris	All Sessions
Mr. Shaw	All Sessions
Mr. Slife	All Sessions
Mr. Wenstrand	All Sessions

Board of Regents Nominees:

Mrs. Jorgensen	All Sessions
Mr. Neu	All Sessions

Office of State Board of Regents:

Executive Secretary Richey	All Sessions
Director Barak	Exc. 4:30 p.m.
Director Sonnenschein	Exc. 3:10 p.m.
Director Volm	Exc. 3:10 p.m.
Mrs. Sands, Secretary	All Sessions

State University of Iowa:

President Boyd	All Sessions
Vice President Brodbeck	All Sessions
Vice President Jennings	All Sessions
Interim Vice President Bezanson	All Sessions
Assistant to President Mahon	All Sessions
Assistant Vice President Small	All Sessions
Director Tobin	All Sessions

Iowa State University:

President Parks	All Sessions
Vice President Christensen	All Sessions
Vice President Hamilton	All Sessions
Vice President Moore	All Sessions
Vice President Thielen	Arr. 10:45 a.m.
Assistant Vice President Madden	Arr. 10:30 a.m.
Assistant to President Henry	All Sessions

University of Northern Iowa:

President Kamerick	All Sessions
Provost Martin	All Sessions
Vice President Stansbury	All Sessions
Vice President Voldseth	All Sessions
Director Kelly	All Sessions

Iowa School for the Deaf:

Superintendent Giangreco	All Sessions
Business Manager Kuehnhold	All Sessions

Iowa Braille and Sight Saving School:

Superintendent DeMott	All Sessions
Business Manager Berry	All Sessions

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, May 17, 1979.

APPROVAL OF MINUTES. The minutes of the Board of Regents meeting held April 19-20, 1979, and the minutes of the Iowa Braille and Sight Saving School Seminar on April 19, 1979, were approved as distributed.

COMMITTEE ON EDUCATIONAL COORDINATION. A. Post-Audit M.S. Degree in Industrial Administrative Sciences. The Board Office recommended the board refer the post-audit review of the M.S. Degree in Industrial Administrative Sciences at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

The Board Office noted under the terms of the post-audit review procedures approved by the board in 1977, Iowa State University is submitting responses to the Board Office questionnaire on its graduate program in Industrial Administrative Sciences. Through this process, the Board of Regents has an opportunity to review programs five years after their inception to ascertain if they are meeting the goals and objectives set forth at the time of their original submission to the board.

President Petersen commented that the Iowa State University report is the first post-audit review submitted. Vice President Brodbeck added that the Interinstitutional Committee is pleased to participate in the review process.

Regent Harris asked if the enrollment predicted by the institution at the time of program initiation has been realized. Dr. Barak replied that the figures are close to the estimates.

MOTION:

Mr. Brownlee moved the board refer the post-audit report of Iowa State University's M.S. Degree in Industrial Administrative Sciences to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

In response to a question by Mr. Bailey about the absence of program accreditation, Vice President Christensen said the institution has not applied for it; further, accreditation is impossible because the Department of Industrial Administration is not accredited. The major reason for non-accreditation is that the university does not have an autonomous College of Business Administration, a prerequisite for accreditation. Dr. Christensen said that graduates have obtained jobs readily; an estimated 65-75 percent obtain their first preferred job. President Parks added that two problems faced by the program are the need for staff and the lack of accreditation. President Parks predicted that a proposal for a School of Business would be forthcoming, because there is an overwhelming move toward accreditation.

ACTION ON MOTION: Mr. Barber seconded the motion, and it passed unanimously.

B. Report on Writing Skills. The Board Office recommended the board receive reports from the Regent universities on writing skills programs.

The Board Office noted that late last year the board had requested reports from the three Regent universities on programs involving writing skills and that each institution is complying with the request.

The Board Office discussion reported that attendees at a meeting of the Modern Language Association, a major professional organization for English teachers, in 1976 had been presented with a number of papers emphasizing a decline in literacy. Recognition of this problem surfaced in a 1975 publication of the National Assessment of Educational Progress (NAEP) study, which compared the writing of a national sample of 9-, 13-, and 17-year olds in 1969 and 1974. The study was judged to have provided meaningful data indicating a decrease in writing ability from 1969 to 1974. The reality of this decline was emphasized by a decline in Standard Achievement Test (SAT) scores and the testimony of college composition teachers about writing skill deficiencies of freshmen. The wave of publicity about the decline was followed by attempts to strengthen writing programs, to provide remedial programs, and to provide study and analysis of writing programs and skills.

The Board Office noted responses to the reported deficiencies by the assessors of writing, by colleges and universities nationally, and by Regent universities specifically:

Writing Assessors' Responses. The College Entrance Examination Board made a 30-minute multiple choice test of writing skills a permanent part of the SAT test; reinstated the essay as part of the English Composition Test (the test most widely used of the 15 CEEB achievement tests); and revamped the College Level Examination Program's General Examination in English Composition. The Educational Testing Service (ETS) increased the number of workshops across the country devoted to scoring of essays; introduced the Basic Skills Assessment Program; and created a new Office of Writing Skills Assessment.

National College and University Responses. Colleges and universities revamped curricular and admissions requirements, developed model programs to teach writing, created writing labs, attempted to evaluate the teaching of writing, inaugurated new doctoral programs to train teachers of composition, and established links to elementary and secondary schools. The Board Office noted that evaluation of these efforts is difficult because of the complexity and interrelatedness of the variables to be studied.

Regent University Responses. Each Regent university is responding to the issue of declining writing skills; although the goal (the strengthening of writing skills) is the same, each institution approaches its accomplishment uniquely:

The University of Iowa offers a wide range of writing programs, including a Freshman Rhetoric Program, advanced writing courses in support of other intellectual activities, writing courses for prospective professional writers, and courses and programs for prospective teachers of writing.

The Freshman Rhetoric Program, charged with ensuring the basic writing competency of undergraduates, reports directly to the Dean of Liberal Arts. All students must either take courses (including speaking, writing, and reading) or pass exemption examinations. About half of the undergraduates take two semesters of writing; the other half, based on ACT scores, take a four-hour accelerated course; only two to three percent are totally exempt from these requirements. The university noted that the classes, of about 20 students, are taught by advanced graduate student instructors who have participated in a year-long staff training program. A 10-member permanent staff of the program forms and directs the curriculum, trains and supervises the new teachers, and consults with freshman who have unusual writing problems. In addition, the program operates Writing and Reading Laboratories for students who need extra help. Students at any academic level (including graduate) are encouraged to enroll in noncredit tutorial instruction for general improvement. A special program for bilingual students or foreign students is offered by the Department of Linguistics.

Regular English department faculty teach advanced courses in basic and advanced expository writing, essay writing, business and industry writing, scientific writing, personal and public writing, arts management or scholarly writing. Some departments and colleges (e.g., Engineering or Law) offer writing work, although it is not always titled as such. None of such courses are remedial; each pushes competent writers to greater fluency and judgment.

The university also offers apprenticeship programs for writers, principally in the School of Letters or the School of Journalism, with courses limited to 15 students who are taught by acknowledged masters.

The University of Iowa has been a national leader in training teachers of writing for decades and was the first institution to allow a literary production in place of a doctoral dissertation and among the first to permit doctoral students to concentrate in the teaching of writing and rhetorical studies as part of a program in English. Along with four Area Education Agencies and the Department of Public Instruction, the university has launched the Southeast Iowa Writing Project to provide elementary and secondary teachers training in writing.

Iowa State University has developed an English Proficiency Policy based on the belief that written communication is a fundamental skill of an educated person. All students must successfully complete or test out of a sequence of basic composition courses, normally in the freshman year. Beyond that, the student's major department is responsible for certifying that the student has achieved an adequate level of proficiency in written communication at the time of graduation. Foreign students who pass a required proficiency examination follow the English requirements of their department; those who fail take special English classes until they can pass the proficiency examination. All Iowa State University students must receive departmental certification before graduation.

The University of Northern Iowa requires all students to pass a Writing Competency Examination, consisting of composition of an essay

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of 500 words on a limited topic selected by the student, sometime prior to graduation. A basic college-level course is offered to help students prepare for the examination which may be taken as many times as necessary to achieve a passing grade. There is no penalty for failing the examination and a failure is not recorded on the student's transcript. The examination, which must be completed in two hours, is given four times a year. Examination topics are not released until the time of the test. Other details of the Writing Competency Examination Program were noted by the university:

- . Examinations are evaluated as "pass" or "fail," with a "pass" equivalent to a grade of C in the University's basic college-level writing course. Grades are recorded on student transcripts.
- . Each examination is evaluated by two readers. All of the readers are members of the faculty of the Department of English Language for whom the program is part of their normal instructional assignments.
- . All readers are trained in application of the eight basic criteria during workshops designed for that purpose.
- . Neither department faculty and staff nor department resources have been increased to accommodate the program; two undergraduate student assistants have been added to the department's normal contingent, but they neither teach in writing classes nor serve as examination readers.
- . The Department of English Language and Literature offers a limited number of sections of its basic college-level writing course to provide additional practice and instruction for students who have not yet passed the writing examination.
- . The university's Learning Skills Center, administered by the College of Education, provides diagnostic and small-group instructional services for students who have severe writing deficiencies.

The university noted that three Writing Competency Examinations have been administered since fall 1978. Results were as predicted by the institution:

1. Five hundred students took the first examination (none had had a writing course at UNI); 35 percent passed and 65 percent failed - September 1978.
2. Nine hundred students were tested (almost all had had the university's basic writing course); 70 percent passed and 30 percent failed - November 1978.
3. Fewer students taking the examination had enrolled in the basic writing course; the pass rate dropped to 51 percent - February 1979.

The university reported that a full evaluation of the Writing Competency Examination Program is scheduled, with a report presented during fall 1979 to the University Faculty Senate. At this time all questions and issues will be considered. The university also noted that in summer 1978 a workshop on the teaching of writing based on the UNI Writing Competency Program was offered for Iowa teachers; a similar workshop is planned for 1979.

Vice President Brodbeck informed the board that representatives from writing skills program at the University of Iowa and the University of Northern Iowa were present to answer questions. She introduced Richard Lloyd-Jones, Professor and Chairman of the English Department at the University of Iowa; President Kamerick introduced Evelyn Wood, Associate Professor of English Language and Literature at the University of Northern Iowa.

Dr. Lloyd-Jones emphasized that the university had included elaboration on its program in an appendix in order to keep its report to a readable length. He said that a common misconception is that postsecondary writing programs are offered because students arrive at college ill-prepared. He said that, to the contrary, Iowa high school graduates are generally adequate writers and that students are assisted to develop their abilities to maximum, not minimum, competency. He noted that learning is not done "in a straight line but in stages" when an individual faces new situation, e.g., enters grade school, junior high, senior high, college, or graduate school. When the student's world enlarges because of new experiences, his/her writing competencies may decline and the student may have to learn over again.

Dr. Lloyd-Jones said that writing competency is crucial for postsecondary students; written ideas are the medium for all higher education. Writing perfection is not mechanical communication alone, but requires refining of ideas. A graduate should be competent in the language which is part of the fundamental definition and evaluation in his/her field of study. He said he felt uneasy about senior competency examinations that might disclose language deficiencies when a student is ready to graduate.

Dr. Lloyd-Jones said the university is also providing inservice training programs which are financed by outside grants from the Department of Public Instruction and the federal government. He said such efforts are important in improving the quality of writing in the state.

Regent Bailey asked why students in the past had better writing skills. Dr. Lloyd-Jones said that such comparisons are based on recollection (and people have a tendency to glorify the past) and not on controlled samples. He said that a different kind of people are attending colleges today. He stressed that the development of a mature human being requires development of language.

Dr. Lloyd-Jones agreed with a comment by Regent Belin that advanced writing courses should be given in all curricula. He said the University of Michigan spends over \$300,000 a year to provide advanced level writing courses--a major financial investment--and is having trouble getting it done.

Dr. Harris noted an inconsistency in the assumptions of the reports from the University of Iowa and the University of Northern Iowa--SUI states that Iowa high school graduates are generally adequate writers and UNI reports that 65 percent of the students failed the first Writing Competency Examination, as predicted. Dr. Lloyd-Jones said writing competency tests are not necessarily a measure of skills because circumstances under which they are administered are unsatisfactory for students. To confront a freshman facing new experiences with a writing examination almost guarantees he/she will not write well. He said he is also skeptical of outside-designed testing programs.

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Dr. Lloyd-Jones also commented that frequently teachers who are expected to teach writing want to teach literature, are scornful of their assignment, and have no basic knowledge to do it well. As a matter of fact, he said, 95 percent of those assigned to teach writing have no elementary training in it. He said that one person who attended a writing institute, a teacher from Dartmouth, was getting ammunition ready to persuade the college that there is a better way to teach writing than by assigning the reading of Paradise Lost.

He said the University of Iowa has more requests for advanced writing courses than it can fulfill. He said they have drafted every member of the English faculty to teach advanced composition courses and that all replacement faculty are persons who can teach writing courses.

Vice President Christensen said that no one from the Iowa State University writing program was present but that the university had, to a large degree, the same philosophy as the University of Iowa. He said that until five years ago Iowa State had a senior examination which many students failed and had to repeat, a procedure the university thought was "too late and unsatisfactory." He said that after much discussion, the university settled on the present process in which all students enroll in a basic freshman course, with subsequent development of communication skills monitored by the student's major department. This development may be promoted by referring the student to a writing clinic where skills are developed through individual tutorial assistance. Each department certifies that its majors are adequately proficient in written communication before graduation.

President Petersen asked if departmental certification is perfunctory and Vice President Christensen said he is convinced it is not.

Professor Wood reiterated Dr. Lloyd-Jones statements about the importance of written communication at every level. She said that 86 percent of communication is nonverbal, a fact which puts a burden on the 14 percent that remains in writing. She agreed that there is growing demand for advanced writing courses in the disciplines.

Regent Shaw expressed the opinion that testing and teaching those who do not pass the test is not the best way to deal with writing incompetency. He suggested that too many resources are devoted to the testing which might be better used in classroom instruction. He said he would like to see the University of Northern Iowa program conducted in a manner similar to programs at the other Regent universities. He asked if the unavailability of teachers is a big problem at UNI. Professor Wood said that there is a core of teachers in the English department who teach writing courses. She said that although the examination disclosed that 35 percent have inadequate writing skills, these students will be competent after they have completed the Writing: Fundamentals course.

In response to a concern expressed by Mrs. Belin about substitution of a competency test for courses, Professor Wood agreed that a combination of a competency examination and writing courses is an ideal solution. She said that enough courses are offered at the University of Northern Iowa for each student to have between six and eight hours of composition. She said that well over half of the students take writing courses, although no composition courses are required as such. She said their intermediate and advanced composition classes are filled to capacity.

Vice President Martin added that the university does not require all students to take a writing course but that he would like to see such a requirement without any exceptions.

President Petersen commented that the board is interested in the writing competency program at the University of Northern Iowa and would appreciate receiving evaluations as the process evolves. She pointed out that the Regents' institutions are approaching the improvement of writing skills in a variety of ways--a healthy sign because there there is a variety of students. She said that all three universities are keenly aware of writing deficiencies and are developing their resources to solve the problem.

Dr. Harris suggested the board commend primary and secondary educators in Iowa who do a good job in teaching Iowa students to write.

President Petersen accepted the report on programs to improve writing skills at the Regents' institutions.

C. Reorganization of the University of Iowa Department of Business Administration. The Board Office recommended the board approve the University of Iowa proposal to reorganize its Department of Business Administration into Departments of Finance, Industrial Relations and Human Resources, Marketing, and Management Sciences.

The Board Office noted that at the April board meeting, the University of Iowa proposed reorganization of the structure of its Department of Business Administration. The Board Office recommended that the proposal be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review with specific attention to whether increased costs will be associated with the reorganization. The committee review of the program indicated the following reasons for approval:

- the present size of the Department of Business Administration is such that operation of the areas as subdivisions is necessary for efficient academic administration;
- the faculty in the area regard the reorganization as the most sensible and effective plan to perform their functions for the university and have confidence in the proposal;
- colleges and schools of business around the country are undergoing a departmentalization trend, reflecting the "professionalization" of business and the increasing complexity and specialization in the business world.

The Board Office noted that the University of Iowa states that although it would seem that the reorganization into four departments would involve greater costs, this is not the case and listed monetary benefits accruing from the change. The university concluded that "... the greatest cost of the existing structure is the dissipation of faculty time in the administration of a structure that does not really work well. With smaller, more cohesive departments, the administrative burden will be reduced, with a lesser commitment of faculty time to administration."

In response to questions about cooperation between the proposed departments, Vice President Brodbeck replied that the separation will improve relations because departments ~~will~~ not be concerned with matters not directly concerning them and that, under the existing structure, many issues hinder cooperation. Susan Phillips, Associate Professor of Business Administration, said that the Department of Business Administration has grown and become so large that faculty spend a great deal of time relating to administration matters across disciplines.

President Petersen added that the reorganization will facilitate the mechanism of running the program so the business of delivery can be improved.

MOTION: Regent Harris moved the board approve the reorganization of the Department of Business Administration into Departments of Finance, Industrial Relations and Human Resources, Marketing, and Management Sciences. Regent Belin seconded the motion, and it passed unanimously.

D. University Policies on Consulting. The Board Office recommended three actions regarding consulting policies at the Regents' universities:

1. Internal reexamination of the consulting policies of the universities.
2. Establishment of an annual reporting system on consulting similar to the one in effect at Iowa State University.
3. Report to the board in October by the Interinstitutional Committee on Educational Coordination on consulting at the Regents' universities.

The Board Office noted that the report on consulting policies, requested by Regent Belin, consists of an overview of faculty consulting, individual reports by Iowa State University and the University of Northern Iowa, and appropriate references to written university policies at all three Regents' universities.

The Board Office discussion reported that a 1969 survey by the Carnegie Commission on Higher Education indicated that 55 percent of faculty members at major universities devoted from one to more than twenty percent of their time to outside consulting and that the intensity of the controversy about outside consulting by faculty has increased in recent years. Typical concerns about faculty consulting, according to the Board Office, include accusations that consulting takes time from university activities, primarily teaching; leads to bias in the classroom or in taking public positions; and constitutes a "conflict of interest." The Board Office noted that the report provides an opportunity for the board to examine the adequacy and appropriateness of university consulting policies. The summary of university policies grouped responses from the universities under four issues: time taken from university activities; monitoring devices; classroom bias control; and conflict of interest problems.

Taking Time from University Activities: Two institutions provide specific limitations: the Universities of Iowa and Northern Iowa restrict consulting or professional activities to an aggregate of one day per week over an appointment interval; Iowa State University specifies "... that any consideration of outside work begins with the

understanding that all members of our professional staff render full-time professional service to the University during the periods of their appointment" and that "...these few days of outside work which some faculty members do each year is taken on as an overload to regular assignments..."

Monitoring. Monitoring at the University of Iowa is performed by the Dean of each college, who maintains a record of actions; at Iowa State University is reported annually through department heads or chairpersons to the Dean of each college; and at the University of Northern Iowa is performed by the department head (or the person in charge of a division, offices, etc.).

Bias in the Classroom. The University of Iowa and Iowa State University have statements in their faculty handbooks on professional ethics and academic responsibility which address the faculty members' responsibilities to students, to scholarship, to colleagues, to the university, and to the larger community which the universities serve. The Board Office noted that there is no way in which bias in the classroom can be monitored since biases as a result of consulting are but one of many potential sources of bias and that, hopefully, the faculty exercise a high level of appropriate professional judgment in these matters.

Conflict of Interest. Both the University of Iowa and Iowa State University have specific and extensive policies related to conflict of interest. Iowa State University also notes that staff members also should avoid "actual or apparent conflicts of interest between his or her government-sponsored university research obligations and his or her outside obligations." The University of Northern Iowa has no explicit policy but simply notes that faculty members owe first allegiance to duties at the university.

The Board Office concluded that although university policies are generally responsive to the need, there are some areas (e.g., conflict of interest at the University of Northern Iowa) where individual policies need to be strengthened. The Board Office also recommended an annual report by each university which includes: (1) amount of time spent on consulting; (2) for whom the consulting is done; and (3) the nature of the consulting assignment. According to the Board Office the report would provide a useful internal tool to monitor consulting activities without overburdening the parties involved and would serve as partial evidence that appropriate oversight is being provided by the institutions.

Although the report does not include policies with respect to professional and scientific employees, two of the universities included copies of proposed policies for these employees.

President Petersen noted that the consulting report is important to the board because of questions raised in the past and from time to time. Vice President Brodbeck pointed out that each institution has developed its own policy to meet the problem of actual or apparent conflicts. She introduced four persons from the University of Iowa who were involved with the revisions to the institution's policy which the Faculty Senate and Staff Council had just

adopted: Dorsey Ellis, President of the Faculty Senate; David Vernon, Professor of Law; Mary Lou Miller, Staff Council President; Kimball Wall, Staff Council Vice President; and Lawrence Gelfand, Professor of History. Vice President Brodbeck noted that the faculty and professional staff policies have now been transmitted to the president and have been incorporated into other statements.

President Boyd added that the committee at the University of Iowa had spent a year and a half reviewing and revising the policies but that, ultimately, the institutions have to rely on the principles of a good faculty and an honor system.

Professor Gelfand said that the committee had devoted much time and attention to the conflict of interest policy. Problems arose, he said, because university personnel are involved in a variety of extramural activities and the committee did not have a "handle on how many and what kinds there are." He added that defining involvement and a desirable level of involvement are difficult. The committee worked on the assumption that certain benefits accrue to the university from a degree of extramural activity: contribution to intellectual stimulation, professional visibility, and academic vitality; but faced problems beyond this assumption: limiting and regulating extramural activity for full-time faculty (in addition to labors performed by faculty). He noted that many also served during the summer months when they taught or were involved in research and service. He said that when a faculty member is involved in consulting activities more than three days in one semester, he/she must receive approval from the dean and departmental executive officer. Private, nonremunerative activities (e.g., journal editing, office-holding in organizations, clinical work in dentistry and medicine) are excluded from the policy. He said that the resultant policy includes regulations the faculty believes desirable to maintain professional extramural activities.

Mary Lou Miller noted that the Staff Council (relating to Professional and Scientific employees) passed the rules and regulations unanimously. This policy differs from the faculty policy in that members conduct their consulting activities outside working hours.

Regents asked for amplification on policies limiting consulting:

Vice President Christensen noted that, contrary to the Board Office statement, Iowa State University has an unwritten regulation which limits consulting activities to a maximum of two working days per month.

Vice President Brodbeck responded for the University of Iowa and noted that the one-day a week limit is traditional and customary as a faculty policy throughout other institutions. She said that consulting improves teaching and research abilities of the faculty. Further, she asked, what is one day a week when a faculty member contributes all of his professional time to the university? He may consult on Friday, then spend both Saturday and Sunday in university activities. She suggested that individual evaluation of each member was the best procedure.

Vice President Martin indicated agreement with Vice President Brodbeck's statement that a day a week is a common limit. He noted an additional problem: faculty members who are stimulating in the classroom are those most likely to receive consulting

assignments. The Academic Vice Presidents are faced with a dilemma: although the universities are pleased to have faculty who receive many consulting requests, demands for services are heavy.

Regent Shaw pointed out that abuses occur when professors have a national reputation and a "star system" operates. In a highly industrialized area where many businesses need research services, academic expertise is tapped as a cheap way to borrow labs, a procedure which may damage the university. He cautioned university administrators to be aware of this problem.

Professor Gelfand noted that abuses may also exist when professors or staff become so involved in performing nonremunerated services that they lose sight of their first responsibility. He also stated that faculty members are concerned when they must perform full-time university services in addition to extramural activities. President Boyd agreed that if consulting activities are added to a 40-hour university commitment, faculty will be working seven days a week. He said the medical and dental schools could not survive without the earnings from faculty extramural activities.

President Parks said that Iowa State University has good records on who consults, etc., and is aware of whether there are inherent conflicts of interest. He reminded the board that the state's economy benefits from the presence of university experts who, by a wave of adverse publicity, might be intimidated from doing what is needed for a developing economy.

Regent Belin expressed appreciation for the detailed report and said it is reassuring to see such policies on paper. She said that all institutions appear to be balancing their consulting policies so that students may obtain benefits from faculty consulting activities in the "real world" but that faculty first priorities are to teaching. She said that abuse of these policies is possible and that conflict of interest may cause a bias in teaching and research. Faculty members must "walk a fine line."

President Petersen said the board's request should not be misunderstood. The board is not negative about consulting; further, contacts gained from these activities are important to the vitality of the profession and of the classroom. She noted that the state has a tremendous investment in expertise on the Regents' campuses and no apologies are necessary when this expertise is tapped by business, industry, and government.

Regent Harris suggested that, in view of the discussion, the board should not approve the recommended actions but simply accept the institutional reports.

MOTION:

Dr. Harris moved the board accept the institutional reports on consulting policies with commendation.  
Mr. Slife seconded the motion.

Regents Brownlee and Belin disagreed with the motion and suggested that requests for accountability should not produce a chilling effect on consulting. Both requested annual reporting and accountability, either formal or informal, so that institutions "keep in touch."

President Boyd said that the paperwork issue is critical in the filing of annual reports and suggested that accountability should be recognized as an ongoing responsibility with issues addressed on a case by case basis.

Regent Petersen commented that Dr. Harris' motion accepts the reports with commendation and encourages continuation of internal mechanisms. President Parks said that he agreed with President Boyd's discomfort with annual reports. He said that annual reports are not all the same and what should be included is the nub of contention. He said the university gains from a periodic look at its policy and suggested a general, biennial report on how each university is maintaining its accountability. President Boyd said he is willing to be accountable but prefers dialogue within the profession rather than at a board meeting.

Executive Secretary Richey commented that his understanding of the discussion is that the board desires a biennial report from each university on consulting activities of its faculty and staff. Professor Vernon said he recommended not a quantified report but a statement by the university on how its process is working. President Petersen said administrative comments on how the mechanism is working will be valuable and can point out dangers, such as the fact that medical and dental staff are being overloaded with extramural responsibilities.

Regent Harris said that he did not believe in adding an additional burden, an annual report, on the universities but would accept the requirement for administrative comments on how the internal mechanism regulating consulting policies is functioning.

MOTION:

Dr. Harris moved the board accept the institutional reports on consulting policies with commendation and request biennial reports from each institution on how its internal mechanism for regulation of consulting is functioning. Mr. Slife seconded the motion, and it passed unanimously.

INTRODUCTION. President Parks introduced the new President and Vice President of the Iowa State University Government of Student Body, Elisabeth Buck, and Paul Miller.

MAY MEETING OF THE IOWA COORDINATING COUNCIL ON POST-HIGH SCHOOL EDUCATION. President Petersen directed the board's attention to the Board Office report on the May meeting of the Iowa Coordinating Council on Post-High School Education, which highlighted:

A report on nursing in Iowa. Helen Lobas of the Board of Nursing reported on content of the state board test, which attempts to measure minimum competency, not differentiate between quality of performance on the job of nurses from different programs (e.g., diploma, associate degree, and baccalaureate). Ms. Lobas also reported that the curriculum offered by the College of Saint Francis, an out-of-state institution, does not have many courses related to nursing programs.

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Education Information Centers. The state steering committee for this program expressed displeasure that it is not in control of day-to-day operations of the centers as it was originally proposed to be and is meeting May 23 to discuss this issue. Cluster II proposed that the steering committee allow Forrest Van Oss, Life-long Learning Coordinator, to have a stronger tie to the five cluster coordinators and to the steering committee because the cluster noted too heavy an involvement in administration is required of clusters by the current system.

New programs were presented and accepted by the council: four are related to area schools, one to private schools, and others are University of Northern Iowa curriculum proposals, including the Ed.D. proposal.

1978-1979 Data Digest. Ned Johnson of the Iowa College Aid Commission (CAC) presented a report on the 1978-1979 Data Digest on Iowa Postsecondary Institutions, a statewide compilation of the type of data collected by the Higher Education General Information Survey. The council agreed that despite the limitations of presenting data without any accompanying analysis, the project--now in its fourth year--needs to be continued with the post-secondary community accepting the responsibility for data collection.

Mr. Wenstrand directed the board's attention to the interesting statistics presented in the current Data Digest. Regent Bailey pointed to an error on the first page of the statistical analysis which lists a decline in Area School enrollment. He said the enrollment has risen by 68.

Guaranteed Student Loan Program. John Wild of the CAC reported that the state Guaranteed Student Loan Program is now underway. Over 300 lenders have been located in 93 of the 99 Iowa counties.

Regent Bailey noted an update in the number of lenders was reported at the current CAC meeting; 380-400 of the 600 financial institutions in the state have signed contracts to participate in this program.

President Petersen received the report on behalf of the board.

MEETING OF IOWA COLLEGE AID COMMISSION. Regent Bailey presented an oral report on the Iowa College Aid Commission (CAC) meeting. Regent Bailey accented other data related to the student loan program:

- From October 1977-1978, \$34 million in federally guaranteed student loans were reported in Iowa; at the present time there is a total of \$101 million in student loans in Iowa.
- The agreement designating one nonprofit association as the secondary market at the state level has been consummated with Hawkeye Bancorporation. The membership of the board related to the secondary market will include persons appointed by the governor from the following categories: the banking community (one from a savings and loan); Regents' institution; private college; Area Education Agency; CAC; and the public. The CAC is requiring that all qualified lenders under the guaranteed program are treated equally by the secondary market association. In addition, if the default rate of the association exceeds

7 percent, Hawkeye Bancorporation will lose its designation.

Regent Harris asked ~~what~~ what interest rate is charged the students. Regent Bailey replied that interest, which is paid by the federal government during the time the student is attending college (and for nine months following), is 7 percent. He noted that the federal government supplements this amount by 5 percent as an inducement to lenders. There are no income limitations set by the program, a potential problem because persons who may be able to afford college costs can borrow the money at a low interest rate while investing their own at 9½ percent, thereby making a profit. He added that there is no deadline for application by the student, that the loan form is a simple one-page application, and that Iowa students attending out-of-state institutions qualify for this program.

Regent Bailey added that lending institutions have the option of continuing with the federal guaranteed loan program or switching to the state program. Initially, the federal government announced it was withdrawing from the program and encouraged states to pick it up, with the prospect of better control by the state. President Kamerick added that the Department of Health, Education, and Welfare has changed its method of calculating the percentage of default resulting in a higher rate (prior to 1976 a default was not registered if a student were late with one payment). President Petersen noted that Iowa has a good record with a low default rate.

Regent Barber commended Regent Bailey for his participation in the CAC. He said the loan program is beneficial to students.

President Petersen received the report on behalf of the board.

ACCREDITATION REPORT, DEPARTMENT OF JOURNALISM AND MASS COMMUNICATION AT IOWA STATE UNIVERSITY. The Board Office recommended the board receive the report on accreditation of the Department of Journalism and Mass Communication at Iowa State University.

The Board Office noted that Iowa State University was notified on April 24 that the American Council on Education for Journalism had accredited the Department of Journalism and Mass Communication and specifically the advertising and broadcast news sequences at the university. The news editorial sequence was reaccredited. Strengths and strengths of the department are listed by the accreditation report:

Strengths include placement and advising activities; professional achievement of the graduates; balance of liberal arts and journalism in the curriculum, with the senior capstone course an excellent innovation; quality of teaching in advertising; best available national undergraduate instruction in radio-TV news techniques; opportunity for experience in the on-campus commercial television station; high morale and excellent professional relationships of faculty; good administrative support for the department and the budget, especially in salary area; adequate facilities, and a limited, but intelligent collection, in the library.

Weaknesses. The accreditation report pointed out that students would be better served if more scholarships were available and if the curriculum were broadened more in the liberal arts and if liberal arts courses were further integrated with professional course work. More attention to the national media in the curriculum might raise the achievement of graduates in journalism nationally. More courses in interpretive and evaluative and critical journalism would also be of benefit to students. The advertising curriculum lacks breadth and there are no electives beyond the five core-required courses. Faculty loads are heavy and concentration of the faculty on service limit research to the point of being unusually low, according to the report. Library holdings of scholarly periodicals is limited, the reading room space is small, and students seem to make little use of the main library. Equipment available for use in preparing students for the capstone course in TV-radio news is at the lowest level of acceptability in quality and quantity and more room is needed for the photography area.

The Board Office noted that the university should be congratulated for accreditation. A complete copy of the report and related self-studies is available in the Board Office for review.

Vice President Christensen noted that Iowa State University was gratified to receive accreditation and appreciative of the constructive criticism which noted areas for improvement.

Mr. Bailey said he disagreed with the accreditation team that more courses in interpretive and evaluative and critical journalism would be beneficial. He said he thought journalists should report the facts and not promote their philosophies.

MOTION: Dr. Harris moved the board accept the accreditation report on the Iowa State University Department of Journalism and Mass Communication. Mrs. Belin seconded the motion, and it passed unanimously.

ACCREDITATION REPORT, COLLEGE OF HOME ECONOMICS, IOWA STATE UNIVERSITY. The Board Office recommended the board receive the report on accreditation of the College of Home Economics at Iowa State University.

The Board Office noted that Iowa State University was notified on April 25 that the Council for Professional Development of the American Home Economics Association granted accreditation to the College of Home Economics. The accreditation was based on the self-evaluation report compiled by the faculty of the College of Home Economics, the visiting team report, and the responses to the visiting team's report. Strengths and concerns were listed in the report.

Strengths. An understanding, knowledgeable, and supportive administration, capable leadership of the dean, able assistance from associate and assistant dean and department executive officers, outstanding freshman advising system, strong faculty with high morale, high quality Library and Media Resources Center were lauded by the report. Also praised were the forward-looking

programs, especially Orientation to Home Economics, and The Professional Role, as well as the special programs such as the Honors Program; well-developed practicums; and evaluation of curricula now in progress (as a result of the planned transition to the semester system). Graduates of the college are active professionally and as contributing citizens in their communities. The visibility of the college and participation in educational policies were pointed out in the report, which also noted the high quality of the undergraduate students enrolled for whom the faculty have respect.

Concerns. The report accented several concerns: the lack of physical space and the drab appearance of buildings; the feeling among faculty that "things are happening" without their involvement; the removal of the Department of Applied Art (to the College of Art); and the possibility that increased emphasis on the graduate program will be at the expense of the undergraduate program. The report also noted that new sources for research funds are necessary for expansion, necessitating increased time and effort expended to prepare grant proposals.

The report also noted that consideration of priorities is essential if the college is to achieve its long-range plans, that the implications of participating in more research and contributing more visibility through publications need to be examined; and that as resignations and retirements occur the university should consider filling positions with non-Iowa State University graduates to introduce a broader perspective and new ideas.

The Board Office noted that the university should be congratulated for receipt of accreditation. A complete copy of the report is on file at the Board Office.

Regent Belin commented that she is pleased to note that the report suggested the university consider the life span concept which links individual development and family development in its family life courses. She said this broad and basic concept provides an alternative to narrow definitions of human growth and development.

Vice President Christensen noted that the university is gratified by the accreditation report.

MOTION:

Dr. Harris moved the board accept the accreditation report on the Iowa State University College of Home Economics. Mrs. Belin seconded the motion, and it passed unanimously.

NORTH CENTRAL ASSOCIATION NOTIFICATION OF PLACEMENT, IOWA SCHOOL FOR THE DEAF, 1978-1979. The Board Office recommended the board receive the notice of placement on the list of approved schools without qualification by the North Central Association for the Iowa School for the Deaf for the 1978-1979 school year.

President Petersen commended the school on its accomplishment. Mrs. Belin commented that parents of students at the school are also appreciative of

the school and its program. She said that at a parents' meeting she attended, the value of the educational opportunities available was accented by the parents.

Mr. Barak of the Board Office noted that Iowa Braille and Sight Saving School has also received a notice of placement, an item that will be docketed for the June board meeting.

President Petersen received the report on behalf of the board.

**LEGISLATIVE REPORT.** Executive Secretary Richey presented an overview of legislative action which preceded adjournment.

Salary legislation. Mr. Richey noted that although the final printed bill has not been received, the version passed and sent to the Comptroller is a version acceptable to the board. He said that much effort was expended in the last two weeks of the session on this legislation. He said that the liaison people did an outstanding job in providing access to the legislators in the final critical days. He said all were careful to insure that they correctly represented board policy and that Mr. McMurray kept them posted each day on the issues before them, a coordinated arrangement that worked effectively.

Mr. Richey reported that a good deal of time was consumed in legislative debate about what legislators thought was overpayment of state employees. He noted that, because employees are paid every other Friday, they will receive 27 paychecks this year, a problem related to the calendar and method of payment.

Capital legislation. Mr. Richey noted that among requests approved were funds for Veterinary Medicine and for storm losses, as well as the allocation to repair or replace three roofs at the University of Northern Iowa and the approval to transfer \$140,000 for an addition to the service building at Iowa Braille and Sight Saving School. Not requested by the board but appropriated by the Legislature was an allocation of \$300,000 for engineering equipment for Iowa State University and the University of Iowa. The allocation, a nonrecurring item for the two Engineering Colleges, will be allocated in June and distributed equitably by the board.

Casualty losses. The request for reimbursement for casualty losses has been directed to the Executive Council for settlement after the chairmen of the two appropriations committees by letter asked the council to resolve the matter. Mr. Richey noted that more information will be supplied to the Executive Council.

Mrs. Belin expressed pleasure with the legislation enacted relating to the board. She said that all those who carried the Regents' message to the Legislature and explained the needs should be commended, as should the Legislature for listening to them and understanding the necessity for supplying the funds. Mrs. Petersen echoed her commendation and noted that "not every year is a \$40 million capital program approved." She said that this investment will yield future benefits for the state. She added, however, that she is concerned about the long-range impact of indexing and tax rebates on support for higher education at the end of the biennium.

Regent Shaw noted that any joy concerning capital appropriations should be tempered by a realization of the effect of inflation on salaries; a 5-7 percent pay increase is consumed by a 10 percent inflation factor and increased taxes because of placement in a higher tax bracket. President Boyd agreed that the situation is acute and that the voluntary guidelines suggested by the President have been breached in many instances. He said the universities may request a review of the situation if inflation continues at its present rate.

Regent Bailey suggested the board would encounter problems if, bound by a union contract at University of Northern Iowa, it gave unorganized faculty at the other universities a higher pay level. President Boyd said he recognizes the dilemma of the board but believes it is the obligation of the university administration to bring the needs of the unorganized faculty to the board's attention because they also need advocates. President Parks agreed that those who have chosen to remain unorganized should be allowed to state their case and added that this should be done next year when inflation effects are known. Regent Bailey said that, historically, the board position is that neither organized or unorganized should suffer more or gain more; if that concept is undermined, the board will face problems.

Presidents Boyd and Parks agreed that no undermining is intended but that the administration must speak for the unorganized faculty members; otherwise their needs will not be understood.

President Petersen received the report on behalf of the board.

MERIT SYSTEM PAY PLAN, CLASSIFICATION PLAN AND RULES REVISIONS. The Board Office recommended the board approve, effective July 1, 1979:

1. Pay matrices developed for merit system employees not covered under collective bargaining contracts and for blue collar, security and technical employees, in accordance with the provisions of Senate File 499 and negotiated collective bargaining agreements. Pay for employees whose salaries exceed the maximum of their assigned pay grade is to be increased 5.2 percent.
2. The addition of a new class, Food Service Coordinator I, in pay grade 203, and the deletion of the Laundry Checker class which is no longer used.
3. Revised descriptions and pay grade assignments for Safety Inspector 311 (to 312); Audiovisual Equipment Technician II 403 (to 404); Broadcast Television-Radio Technician II 411(9) to (412(9)); and Water Systems Operator 204 (to 208).
4. Revisions in titles, descriptions of duties and responsibilities and minimum required qualifications for Food Worker II, III, and IV; Graphics Specialist I; Respiratory Therapy Technician I; Secretary II and IV; Office Coordinator I and II; and Laundry Press Operator.
5. Two revisions to the merit rules, adding a sentence to 3.39(3), Pay on Promotion, to read, "Pay on promotion in accordance with the provisions of rule 3.39(1)b may be authorized by a resident director with the approval of the merit system director";

and adding a new rule, 3.151, Olympic Competition Leave of Absence, to read, "Employees shall be granted leaves of absence to ~~participate~~ in olympic competition sanctioned by the United States olympic committee as provided by law.

The Board Office discussion of the items recommended included an item by item explanation.

The Board Office noted that on Friday evening, May 4, 1979, a public hearing on the Merit System proposals for 1979-1980 was held in Phillips Hall Auditorium on the campus of the University of Iowa. Mr. Barber and Dr. Harris represented the Board of Regents at the hearing. Some employees expressed concern about the appropriateness of a Friday night meeting; some expressed support for the proposals; and others asked questions about specific aspects of the recommendations, according to the Board Office report. No serious objections were raised.

Mr. Volm, Director of the Regents Merit System, noted that the proposed matrices increase steps 1 and 2 by 4.3 percent; steps 3-15, 5.2 percent; and step 16, 7 percent, with an average increase of 5.2 percent. Under this proposal all current employees will receive or be eligible for a minimum increase of 7 percent during the fiscal year (except for those whose pay is over the maximum provided at step 16, who will receive a 5.2 percent increase on July 1). In accordance with collective bargaining agreements, pay matrices for affected employees will increase at each step (including step 16) by 5.2 percent.

Director Volm noted, in response to a question from Regent Bailey, that increases are ordinarily two-step jumps, so that those on step 1 will advance to step 3 and those on step 2 advance to step 4.

Director Volm also directed the board's attention to the new class of Food Service Coordinator I, a proposal which emerged from needs for coordination and efficiency of food services operations. According to Director Volm, the class recommended for deletion, Laundry Checker, is not occupied and future need for this class is not anticipated. Mr. Volm also accented the fact that revisions recommended in the pay grade assignments of four other classes resulted from the assignment of additional duties and responsibilities and the changes were in accord with the new point count evaluation.

Director Volm noted that the proposed addition to merit rule 3.39(3) would make possible the recognition of exceptional qualifications in the instance of promotion, as it is for original entry.

Mr. Volm also noted the addition of a new rule--3.151--which grants leaves of absence for participation in Olympic competition sanctioned by the U.S. Olympic committee as provided by Chapter 79.25 of the Code.

Mr. Richey noted that the issue of whether overtime pay is granted after an 8 hour day or a 40-hour week is being reviewed with state agencies. The Board Office is reviewing the issue with institutional representatives and a report will be made on this issue to the board in June.

GENERAL

May 17, 1979

MOTION:

Mr. Bailey recommended the board approve the recommended actions (pp.605-606 ) to be effective July 1, 1979. Mr. Wenstrand seconded the motion.

Mr. Slife asked if overtime specifications should be included in the motion and Mr. Richey replied no.

Mr. Barber noted that Mr. Volm made a good presentation at the public hearing but that a very small group (about 25 persons) attended. No involved questions or problems arose, he said, but a suggestion was offered that the public hearing be held in conjunction with the board meeting, thus eliminating need to meet twice. Mr. Richey said that the meetings could not be held together because time was required to review suggestions from the public hearing before presentation to the board. Regent Barber suggested the presentation to Regents be made at the following board meeting.

VOTE:

The motion passed unanimously.

PROPOSED ADJUSTMENTS IN PROFESSIONAL AND SCIENTIFIC PAY PLANS FOR JULY 1, 1979. The Board Office recommended the board approve the professional and scientific pay plan adjustments as proposed, including the salary schedules shown for the University of Iowa (p. 608); Iowa State University (p. 609); the University of Northern Iowa (p. 610); Iowa School for the Deaf and Iowa Braille and Sight Saving School (p. 611); and the Board Office (p. 612)

The Board Office discussion noted that S.F. 485, passed by the Legislature and sent to the Governor, provides appropriations for base salaries and an increase of 3 percent for the professional and scientific employees of the Board of Regents for the 1979-1980 fiscal year. S.F. 499, related to compensation and benefits for state officials and employees, has been passed by the Committee on Appropriations (with Senate consideration pending) and provides for an increase of 4 percent for 1979-1980 for each professional and scientific employee of the Board of Regents institutions. S.F. 499 also makes provision for increases over and above 4 percent as authorized by the board consistent with that Act and other appropriations made by the General Assembly. Further, S.F. 499 provides that the salaries of Board Office employees be increased by an average amount not to exceed 5.2 percent for 1979-1980, but it does not preclude additional increases under policy determined by the appointing authority, consistent with the Act and other appropriations made by the General Assembly.

The Board Office discussion noted that in March the Board of Regents approved a salary increase policy for 1979-1980 which provides a 5 percent increase for each professional and scientific (P & S) employee and funding for an additional 2 percent merit increase and  $\frac{1}{4}$  of 1 percent for promotional increases approved by the board. Senate Files 485 and 499 will provide funds to implement an across-the-board adjustment of 5 percent for each P & S employee plus merit increases approved by the board. The salary schedules recommended by the institutions and the Board Office and reproduced on pp.606-612 provide the framework for the implementation of that policy.

PROFESSIONAL AND SCIENTIFIC SALARY SCHEDULE

1979 - 1980

ANNUAL SALARIES IN DOLLARS

<u>SALARY GRADE</u>	<u>MINIMUM</u>	<u>1ST QUARTILE</u>	<u>MIDPOINT</u>	<u>3RD QUARTILE</u>	<u>MAXIMUM</u>
1	\$ 8,810	\$ 9,955	\$11,100	\$12,245	\$13,390
2	9,450	10,703	11,955	13,208	14,460
3	10,140	11,510	12,880	14,250	15,620
4	10,880	12,375	13,870	15,365	16,860
5	11,670	13,305	14,940	16,575	18,210
6	12,520	14,305	16,090	17,875	19,660
7	13,460	15,393	17,325	19,258	21,190
8	14,470	16,568	18,665	20,763	22,860
9	15,570	17,835	20,100	22,365	24,630
10	16,750	19,178	21,605	24,033	26,460
11	18,040	20,678	23,315	25,953	28,590
12	19,430	22,270	25,110	27,950	30,790
13	20,920	23,981	27,040	30,100	33,160
14	22,530	25,828	29,125	32,422	35,720
15	24,270	27,820	31,370	34,920	38,470
16	26,140	29,963	33,785	37,608	41,430
17	28,150	32,268	36,385	40,503	44,620
18	30,320				OPEN

\* \* \* \* \*

UNIVERSITY OF IOWA LIBRARIAN SALARY SCHEDULE

31	12,700	13,750	14,800	15,850	16,900
32	15,500	16,625	17,750	18,875	20,000
33	19,500	20,875	22,250	23,625	25,000
34	24,000				OPEN

Iowa State University  
of Science and Technology

PROPOSED 1979-80 SALARY RANGES  
PROFESSIONAL & SCIENTIFIC POSITIONS

<u>Grade</u>	<u>*Minimum</u>	<u>Midpoint</u>	<u>*Maximum</u>	<u>Midpoint Difference</u>	<u>Salary Spread</u>
I	\$10,541 ( 9,851)	\$12,522 (11,702)	\$14,502 (13,553)	--- (---)	37.6% (37.6%)
II	12,071 (11,281)	14,400 (13,458)	16,729 (15,635)	15% (15%)	38.6% (38.6%)
III	13,885 (12,977)	16,706 (15,613)	19,526 (18,249)	16% (16%)	40.6% (40.6%)
IV	16,111 (15,057)	19,548 (18,268)	22,984 (21,480)	17% (17%)	42.6% (42.6%)
V	18,853 (17,620)	23,068 (21,558)	27,282 (25,497)	18% (18%)	44.7% (44.7%)
VI	22,251 (20,795)	27,452 (25,656)	32,652 (30,516)	19% (19%)	46.7% (46.7%)
VII	26,378 (24,652)	32,955 (30,790)	39,512 (36,927)	20% (20%)	49.8% (49.8%)
VIII	31,533 (29,470)	39,867 (37,259)	48,201 (45,048)	21% (21%)	52.9% (52.9%)

Bracketed figures are the 1978-79 salary ranges.

\*Minimum and maximum increased 7%.

2/14/79

UNIVERSITY OF NORTHERN IOWA

1979-80 Pay Matrix (Proposed)

<u>PAY GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	<u>MIDPOINT DIFFERENTIAL</u>	<u>SALARY SPREAD</u>
I	\$10,541	\$12,522	\$14,512	- -	37.7
II	12,071	14,400	16,729	15	38.6
III	13,885	16,706	19,526	16	40.6
IV	16,111	19,548	22,994	17	42.7
V	18,853	23,068	27,282	18	44.7
VI	22,251	27,452	32,652	19	46.7
VII	26,378	32,955	39,512	20	49.8
VIII	31,533	39,867	48,201	21	52.9

5/3/79

PAY PLAN  
IOWA SCHOOL FOR THE DEAF  
AND  
IOWA BRAILLE AND SIGHT SAVING SCHOOL  
PROFESSIONAL STAFF

1979-80

<u>Pay Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>	<u>% Spread</u>
1	\$10,634 ( 9,924)	\$12,649 (11,778)	\$14,664 (13,704)	37 (37)
2	11,934 (11,136)	14,121 (13,188)	16,302 (15,240)	37 (37)
3	13,494 (12,588)	15,979 (14,922)	18,464 (17,256)	37 (37)
4	14,924 (13,932)	18,023 (16,836)	21,122 (19,740)	42 (42)
5	15,964 (14,904)	19,455 (18,174)	22,946 (21,444)	44 (44)
*6	18,356 (17,148)	22,581 (21,096)	26,806 (25,044)	46 (46)

1978-79 figures are shown in parentheses.

\*Grade 6 has been adjusted by averaging grade 6 and grade 7 of the 1978-79 pay plan and increasing that mean by 7%. Grade 7 has been eliminated.

Pay Grade Assignment:

Grade 2

Registered Nurse

Grade 3

Assistant Dean of Boys  
Dean of Primary Hall  
Budget and Reporting Assistant  
Administrative Aide for Deaf Services  
(Formerly Field Worker)

Grade 4

Dean of Boys  
Dean of Girls  
Food Production Supervisor  
Head Nurse  
Personnel Director

Grade 6

Director of Planning and Personnel  
Director of Student/Home Services

PROPOSED  
BOARD OFFICE  
PROFESSIONAL AND SCIENTIFIC SALARY SCHEDULE

1979-80

<u>SALARY GRADE</u>	<u>MINIMUM</u>	<u>(MIDPOINT)</u>	<u>MAXIMUM</u>	<u>SPREAD</u>
1	\$10,296 ( 9,958)	\$12,454 (11,804)	\$14,612 (13,650)	42 (37)
2	11,778 (11,388)	14,209 (13,468)	16,640 (15,548)	41 (37)
3	13,858 (13,390)	17,043 (16,146)	20,228 (18,902)	46 (41)
4	14,970 (14,482)	18,416 (17,472)	21,862 (20,462)	46 (41)
5	16,328 (15,782)	20,215 (19,149)	24,102 (22,516)	48 (43)
6	18,278 (17,680)	22,997 (21,788)	27,716 (25,896)	52 (46)
7	20,566 (19,890)	26,533 (25,129)	32,500 (30,368)	58 (53)
8	22,854 (22,100)	29,471 (27,911)	36,088 (33,722)	58 (53)
9	26,364	33,033	39,702	51

1978-79 figures are shown in parentheses

Pay Grade Assignments:

Grade 3	Accountant
Grade 4	
Grade 5	Classification Program Administrator Examination Program Administrator Research and Information Analyst
Grade 6	Associate Merit System Director
Grade 7	Associate Budget Director
Grade 8	Budget Director Director of Facilities and Business Management Merit System Director Regents Director of Employment Relations
Grade 9	Academic Affairs Officer and Director of Research

The University of Iowa proposed adjustments to their P & S schedule which would result in an average increase in range minimums and maximums of approximately 7 percent. (The minimums and maximums of lower grades were increased somewhat more than 7 percent; the minimums and maximums of higher grades somewhat less.) Iowa State University, the University of Northern Iowa, the Iowa School for the Deaf, and the Iowa Braille and Sight Saving School proposed increasing the minimums and maximums of all grades by 7 percent. It was also recommended that the two highest grades in the ISD-IBSSS schedule be combined and that two professional positions at IBSSS, the Director of Personnel and Planning, and the Director of Student/Home Services be assigned to that grade. The Board Office proposed increasing pay ranges for its professional staff by 3.4 percent at the minimum and 7 percent at the maximum, consistent with the provisions and the implementation of S.F. 499 for other state employees who are exempt from Chapter 19A and are paid from Central Payroll. The Board Office also proposed the addition of a new pay grade, 9, \$26,364-\$39,702, to accommodate the position of Academic Affairs Officer and Director of Research (currently the Director of Research and Information).

MOTION:

Regent Brownlee moved the board approve the professional and scientific pay plan adjustments proposed by the institutions and the Board Office, including salary schedules shown on pp.608-612. Mr. Bailey seconded the motion.

Executive Secretary Richey said he had heard that the institutions were concerned about the proposed title change to Academic Affairs Officer and Director of Research. He noted that he had carefully considered the matter and concluded that the proposed title is appropriate. He said it is necessary for the board to delegate responsibility for review and analysis of academic proposals--an important function of the research and information unit. He added that he rejected euphemisms which were not descriptive.

President Boyd countered that the title proposed is misleading and implies a system-wide academic officer. He added that he is not opposed to an increase in pay grade for Dr. Barak but does not believe the title is descriptive of his duties; country-wide the designation represents something else.

Mr. Bailey offered an alternative title--Academic Affairs Consultant--which he said is more descriptive of Mr. Barak's duties. Mrs. Belin agreed that the designation of Academic Affairs Consultant and Director of Research implies coordination and research, but not decisionmaking, and is properly representative of the importance of the position.

Vice President Christensen said that he is in favor of recognizing Dr. Barak's work in title as well as in salary and supports a realistic change. Mr. Slife proffered an alternative--Academic Affairs Liaison Officer. Mr. Richey said he viewed this suggestion as too weak and not recognizable of the evolution in the office in recent years. He said he could accept Regent Bailey's suggestion, with the functions to be as proposed.

VOTE ON MOTION:

The motion passed unanimously.

May 17, 1979

HEALTH INSURANCE COMMITTEE. The Board Office recommended the board approve retention of separate university group health insurance plans for faculty and professional and scientific employees as recommended by the interinstitutional committee.

The Board Office noted that in February 1978, the Comptroller's Office and the Board of Regents reached an agreement under which the Regents' Merit System employees in statewide collective bargaining units and Regents' employees in the state patient care and education units were put into the new state health insurance program. The agreement also provided that university faculties and employees in the professional and scientific, tertiary care and patient treatment bargaining units would remain in the universities' group plans, subject to a study of the feasibility for establishing a single Regents' group for those employees. The interinstitutional committee appointed by the board to conduct the study asked Blue Cross-Blue Shield and Bankers Life Company to provide cost estimates for a Regents' wide health insurance group. A summary comparison of those estimates and current university rates adjusted for comparability of benefits convinced the committee to recommend retention of separate plans for several reasons:

- the considerably higher costs of a Regents' group for employees at the University of Iowa and the University of Northern Iowa would not be offset by slightly lower rates at Iowa State University;
- a separate group at each university closely parallels the approved structure for collective bargaining, which recognizes separate university units for faculty and professional and scientific employees;
- existing programs were developed over time to meet local needs and have established efficiency in administration that is desirable to retain;
- budget complications for the 1979-1981 biennium would result from a change to a single Regents' group; and
- other complications could result from a change affecting the organized University of Northern Iowa faculty.

Executive Secretary Richey noted that he supported the committee recommendation and asked to be advised of any proposed changes in the universities' plans before they become effective. Further, he indicated that it is necessary to consult closely with the State Comptroller and the State Director of Employment Relations about proposed improvements or changes in health insurance for university faculty and professional and scientific employees.

In response to a question from Regent Slife, Mr. Richey said that although he had an open mind when the merger was proposed, he now is convinced that such a move is a mistake because the Regents have more flexibility with separate group plans.

Vice President Jennings said it would be helpful if the board would express agreement with the recommended position in the event that a situation develops where such approval is necessary. Regent Bailey said he approved of the general health insurance concept but not with exact dollar details. Mr. Richey said he did not seek a motion but would assume a consensus of support for the general approach.

President Petersen accepted the report of the Health Insurance Committee on behalf of the board.

FACULTY SALARY SCHEDULES, IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended the board approve the recommended faculty pay plan for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School for the 1979-1980 academic year and the amendments to the rules for administering this plan.

The Board Office noted that at its regularly scheduled meeting on March 8, 1978, the board approved the Faculty Employment Provisions, the Faculty Salary Schedule, the Rules for Administering the Pay Plan and Annual Stipends for Coaches for the faculties at ISD and IBSSS. The Board Office indicated that the proposed schedule, which results in an average across-the-board increase of 6.46 percent at ISD and 7.28 percent at IBSSS, includes modifications of the existing schedule by:

- adding Track III-BA+30 to reward relevant graduate work but recognizing the difficulty of achieving a Master's degree (no Iowa university offers a Master's degree in deaf-blind education);
- adding Track VII for the Education Specialist (or for the MA+45) in recognition of the degree short of the doctorate;
- reducing the number of longevity steps in Track I from 12 to 8 and in Track II from 14 to 11 to encourage continuation of graduate education;
- increasing the salary matrix by establishing a minimum salary at the beginning step for a Bachelor's degree at \$10,608 which does not include add-ons for certifications, by increasing the value of the beginning step in each track by 4 percent of the preceding track (rounded so as to be divisible by 26 since these schools propose going to a bi-weekly payroll), and by adding \$416 to each longevity step in each track; and
- by increasing the value of the certification increments from \$252 to \$260 and from \$456 to \$468 to permit rounding.

A breakdown of the estimated cost for each school, as well as the proposed faculty salary schedule for the schools for the 1979-1980 academic year, follows.

ESTIMATE OF SALARY INCREASE AND DISTRIBUTION FOR FACULTY

AT ISD

1979-80 School Year

FTE Faculty (not administration, Assistant Superintendent, Principals, or Vice-Principals, faculty under Title I, or nondegreed teachers) -----	68.7
1978-79 Salary Base (not including extra salaries and not including fringe benefit costs) -----	\$ 915,588
1978-79 Average Faculty Salary -----	13,327
Total Salary Increase for 1979-80 in accordance with the attached schedule (including minimums) = 10.41% -----	95,326
Total Appropriation for 1979-80 @ 7.0% -----	64,091
Additional Funds Needed (not including added fringe benefit costs or increases for nondegreed faculty and administrators) -----	31,235

BREAKDOWN

Estimated Longevity Step for Approximately 61.7 FTE Faculty @ \$416 each -----	25,667 = 2.80%
Estimated Promotional Step for Additional Education (including two new tracks), for 13 FTE faculty qualifying, in the total amount of -----	6,374 = .70%
Estimated Certification Cost for 6 FTE faculty (includes rounding) in the total amount of -----	2,338 = .26%
Across-the-Board Increase for 58.7 FTE Faculty in the total amount of -----	59,138 = 6.46%
Estimated to pay at least \$700 per person (approximately 5.27% of average salary) -----	<u>1,809 = .20%</u>
Totals -----	<u>95,326 = 10.42%</u>
1979-80 Salary Base -----	\$1,010,914
1979-80 Average Salary (for 68.7 FTE faculty) -----	14,715

NOTE: These figures assume no growth for vacant positions.

ESTIMATE OF SALARY INCREASE AND DISTRIBUTION FOR FACULTY

AT IBSSS

1979-80 School Year

FTE Faculty (not administration, Director or Assistant Director of Education)-----	26.25
1978-79 Salary Base (not including salaries for casual employees and NOT including fringe benefit costs)----	\$371,445
1978-79 Average Faculty Salary -----	14,150
Total Salary Increase for 1979-80 in accordance with attached schedule (including minimums) = 10.67%	39,650
Total Appropriation for 1979-80 @ 7% -----	26,001
Additional Funds Needed (not including added fringe benefit costs or increases for institutional officials)-----	13,649

BREAKDOWN

Estimated Longevity Step for 14.75 FTE Faculty @ \$416 each -----	6,136 = 1.65%
Estimated Promotional Step for Additional Education (including 2 new tracks) for 9.5 FTE faculty qualifying, in the total amount of-----	6,032 = 1.62%
Estimated Certification Cost -----	None
Across-the-Board Increase for 24.25 FTE Faculty (includes rounding) in the total amount of -----	27,052 = 7.23%
Estimated to pay at least \$700 per person (approximately 4.95% of average salary) -----	430 = .12%
Totals -----	\$ <u>39,650</u> = <u>10.67%</u>
1979-80 Salary Base (includes \$7,018 for .5 addition Faculty Member) -----	\$418,113
1979-80 Average Salary (for 26.75 FTE Faculty) -----	15,630

NOTE: These figures assume no growth for vacant positions.

GENERAL  
May 17, 1979

FACULTY SALARY SCHEDULE  
IOWA SCHOOL FOR THE DEAF  
and  
IOWA BRAILLE AND SIGHT SAVING SCHOOL  
1979-1980

Track	I	II	III	IV	V	VI	VII Ed. Spec. or MA+45
Degree	BA	BA+15	BA+30	MA	MA+15	MA+30	
Beginning	10608	11024	11466	11934	12402	12896	13416
Step 1	11024	11440	11882	12350	12818	13312	13832
Step 2	11440	11856	12298	12766	13234	13728	14248
Step 3	11856	12272	12714	13182	13650	14144	14664
Step 4	12272	12688	13130	13598	14066	14560	15080
Step 5	12688	13104	13546	14014	14482	14976	15496
Step 6	13104	13520	13962	14430	14898	15392	15912
Step 7	13520	13936	14378	14846	15314	15808	16328
Step 8	13936	14352	14794	15262	15730	16224	16744
Step 9		14768	15210	15678	16146	16640	17160
Step 10		15184	15626	16094	16562	17056	17576
Step 11		15600	16042	16510	16978	17472	17992
Step 12			16458	16926	17394	17888	18408
Step 13			16874	17342	17810	18304	18824
Step 14			17290	17758	18226	18720	19240
Step 15				18174	18642	19136	19656
Step 16				18590	19058	19552	20072
Step 17					19474	19968	20488
Step 18					19890	20384	20904
Step 19						20800	21320
Step 20						21216	21736

CERTIFICATIONS

AA (AEVH) or Provisional CED      ADD \$260 to applicable step  
AAA (AEVH) or Permanent CED      ADD \$468 to applicable step

The Board Office also noted comparisons of the proposed salaries with those of neighboring school districts and Area Education Agencies:

<u>Iowa School for the Deaf</u>	<u>Iowa Braille and Sight Saving School</u>
7.63% behind AEA #13 in average salary, 6% behind minimums for B.A. and M.A. track	Approximately same starting salary as AEAs #7 and #10 at B.A. level
5% behind average faculty salary at Lewis Central School District	1% ahead of Benton Community School District at B.A. level
6½% behind average at Council Bluffs Community School District	Ahead of neighboring schools reflect- ing the added increments for addition- al certification requirements
Approximately same as state average despite additional certification requirements at ISD	Ahead of state average reflecting added increments for additional certi- fication requirements and the fact that the IBSSS faculty is more senior than local AEAs

The Board Office noted that each school has indicated it can fund the proposed salary schedule within the anticipated 7 percent state appropriation by effecting economies and reallocation of resources.

Two amendments to the rules for administering the pay plan were proposed and include:

1. A new sentence addition to paragraph 7--"A faculty member who possesses an earned doctorate shall be paid pursuant to a special contract which shall be approved by the board."
2. Amendment of the third sentence in paragraph 8 to "Each full-time equivalent faculty member shall receive an increase of at least \$702 for the academic year 1979-1980."

The Board Office noted that that minimum increase approximates 5.27 percent of the current average salary at ISD and 4.96 percent of the current average salary at IBSSS, and increases the minimum from \$300 to \$702 but is applicable only next year.

The Rules for Administering the Pay Plan approved last year mandates rules for granting of annual increments to be effective July 1, 1979. The rules require annual evaluation of each faculty member, provide a one-step increment annually until the top of the track range is reached if the member is performing satisfactorily and a second-step increment for recognition of extra meritorious performance or unique professional contributions.

The Board Office also recommended establishment of evaluation procedures (in consultation with its faculty) for implementation during the next academic year, which will result in the granting of step increases in the 1980-1981 academic year.

Executive Secretary Richey noted that at the time increased funds for salaries were being considered, the board was informed that an average increase of 12-13 percent was necessary to make the faculty salaries at the two schools competitive with local schools and AEAs. Subsequently, the board requested an 8½ percent per year increase to accomplish this purpose; the General Assembly, however, approved a 7 percent increase. He noted that, through internal reallocations, a competitive pay scale is being proposed, fully supported by the superintendents.

In response to an inquiry from Regent Bailey concerning the apparent inequity between the schools (IBSSS is 3½ percent ahead of the state average and ISD approximately equivalent to the state average), Mr. Richey noted the difference relates to the age of the faculty. The basic faculty in terms of tenure is older at IBSSS and thus is at a higher level. Although the average increase at ISD is greater, the across-the-board increase is not as great. Dr. Giangreco added that IBSSS has more difficulty recruiting faculty.

Superintendents Giangreco and DeMott both expressed support for the proposed pay plans. Dr. Giangreco said the proposal is well received by the faculty. Dr. DeMott noted that comparing average salaries does not give an accurate picture of how the schools stand with respect to other schools. The schools are equal with others in the state. He added that comparing average salaries of faculty is not the same as comparing beginning faculty salaries. He said salaries under the proposed plan will be comparable and competitive.

Mrs. Belin said that although she is pleased with the proposal, she is not satisfied with the scale at ISD. She said the additional qualifications and certification required by ISD faculty are not reflected in the salaries proposed. She expressed disapproval with the transfer of funds from ISD to the Board Office, noting that a way should be found to pay ISD teachers more.

Mr. Richey replied that the average increase for the two schools is 10½ percent and exceeds the 7 percent guidelines. He said the funds transferred are locked-in line items which could not be used at the outset of the year.

MOTION:

Mrs. Belin moved the board approve the faculty pay plan for Iowa School for the Deaf and Iowa Braille and Sight Saving School for the 1979-1980 academic year (p.613 ) and the amendments to the rules for administering this plan (p. 614 ). Mr. Barber seconded the motion, and it passed unanimously.

INSTITUTIONAL BUDGET CEILINGS. The Board Office recommended that the Board of Regents reiterate its intent to review and act on changes to Regent institution General Fund budget ceilings whether from budget transfer, appropriations or institutional income, and that the following statement be added to the Board of Regents' Procedural Guide:

7.031 Budget Ceilings

Regent institutions will docket for board action proposed changes in budget ceilings for General Fund operations and will do so prior to institutional action modifying its obligations.

The Board Office noted that budget ceiling changes resulting from budget transfers are treated in section 7.03 of the Guide and require docketing for board action. Although historically the authority to change budget ceilings was established in education appropriations acts, during the 1970s budget ceilings were eliminated from appropriation bills and the Regents assumed this responsibility through its authority to direct institutional expenditures.

The Board Office noted that the board has customarily allowed the institutions great flexibility in the expenditure of operating funds as long as they are within the budget ceilings established at the outset of the fiscal year.

The board does not require approval for transfers between line items in the operating budgets.

The board does require approval for expenditures exceeding the total budget approved at the beginning of the fiscal year.

The Board Office noted that its routine review of actual expenditures after the close of the fiscal year (comparing them to the estimates included in the approved budget) disclosed institutional failure upon occasion to obtain board approval of changes in budget ceilings; therefore, a reiteration of budget ceiling policy seems appropriate.

The Board Office requested a board review of policies in monitoring the operating budgets of the fiscal year and volunteered to develop with the institutions a suitable format for reporting to the board the progress of the budgets during the year. According to the Board Office, "Such reporting procedures could become significant during periods when the institutions have significant variations in institutional income that require major changes in the operating budgets even though a budget ceiling is not affected."

President Petersen noted that an increase in students enrolled above institutional projections raises budget ceilings. Such increases, she noted, are required to be approved but, from time to time, "slippages occur." The docket item is a reminder of board policy.

Mr. Richey indicated that the Board Office is working with the business officers to develop a form for reporting to the board to help the office keep track of what is going on, i.e., are there budget problems? etc. He said the Governor's Efficiency and Economy Committee will be asking for information on methods used to keep posted on changes. He added that although some institutions have faithfully reported changes, a reiteration of the policy seemed appropriate.

In response to a question by Regent Shaw, Mr. Richey noted that only General Fund increases were included in this policy.

Mrs. Petersen commented that if reporting is required, perhaps the information can be added to an existing form so that two will not be required--one for the board and one for the Comptroller's office. Vice President Jennings said the Comptroller is insisting the the institutions examine what they are reporting now. He said that, once initiated, reports have "a life of their own" and suggested elimination of as many reports as possible.

MOTION:

Mr. Slife moved the board reiterate its intent to review and act on changes to Regent institution General Fund budget ceilings whether from budget transfer, appropriations, or institutional income; and add to the Regents' Procedural Guide under 7.031 Budget Ceilings: "Regent institutions will docket for board action proposed changes in budget ceilings for General Fund operations and will do so prior to institutional action modifying its obligations." Dr. Harris seconded the motion, and it passed unanimously.

PRELIMINARY OPERATING BUDGETS, 1979-1980, AND RELATED MATTERS. The Board Office recommended the following actions:

1. That budget ceiling changes for fuel and purchased electricity to complete fiscal year 1978-1979 be authorized for each of the institutions as needed.
2. That the uniform policy on price inflation used by the institutions in preparing preliminary budget formats be approved.
3. That the special purpose appropriations be approved with any further allocations necessary addressed separately at future board meetings.

4. That final budget plans to be presented at the June board meeting incorporate, in summary form, net changes from preliminary proposals, including any allocations of new funding, reallocations of existing support, and changes in number of personnel, using full-time equivalents (FTE) by category by program.
5. Tuition reimbursement for the faculties at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School be authorized for approved courses taken by the faculty on a matching basis, not to exceed \$400 per person for the academic years 1978-1979 and 1979-1980.

The Board Office included discussion on each recommended action:

Budget Ceiling Changes: 1978-1979

The Board Office noted that S.F. 498, a supplemental appropriation bill for fuel and purchased electricity in the amount of \$550,000 (for costs not covered by existing budgets), was passed by the General Assembly. The board will allocate the funds in proportion to actual year-end deficits as needed. Budget ceiling changes approved or proposed for 1978-1979 were summarized:

<u>Unit</u>	<u>Source</u>	<u>1978-79 July 1978 Estimated</u>	<u>1978-79 May 1979 Proposed</u>	<u>1978-79 Ceiling Change</u>
University of Iowa				
General University	Appropriation	\$78,689	\$78,689	
	Inst. Income	24,695	26,145	\$1,450
University Hospital	Appropriation	18,607	18,607	
	Inst. Income	52,592	55,261	2,669*
State Hygienic Laboratory	Appropriation	1,471	1,471	
	Inst. Income	475	520	45
Hospital School	Appropriation	2,800	2,800	
	Inst. Income	137	353	216
Oakdale Campus	Appropriation	1,574	1,574	
	Inst. Income	197	237	40
Iowa State University				
General University	Appropriation	\$63,944	\$63,944	
	Inst. Income	22,809	23,209	\$ 400
Iowa School for the Deaf	Appropriation	\$ 3,301	\$ 3,317	\$ 16
	Inst. Income	133	182	49
Iowa Braille and Sight Saving School	Appropriation	\$ 1,773	\$ 1,824	\$ 51
	Inst. Income	69	69	—
<b>Total Proposed Budget Ceiling Revision</b>				<b>\$ 2,267</b>

\* Excluded from total because of previous approval by Board of Regents (December, 1978).

The Board Office noted that institutional requests are discussed under each institutional section.

Policy on Price Inflation

The Board Office listed salary bill and price inflation factors incorporated in institutional preliminary budget plans for 1979-1980 and noted that some adjustments in salary increase related factors may be necessary when the State Comptroller allocates the statewide funding appropriations. Nonpersonnel price inflation factors, according to the Board Office, are those used to develop the 1979-1981 biennium budget request, with the exception of supplies and services where the board's original requests included a 7 percent price inflation factor. The 7 percent price inflation factor assumed for building repairs and equipment was incorporated in formula-based budget requests that subsequently yielded 10 percent for building repairs and 18.5 percent for equipment.

**Preliminary Operating Budget Salary Assumptions  
and Price Inflation Factors - 1979-80**

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1. Salary adjustments averaging 7% for all faculty, with contract terms holding for organized faculty at UNI. All nonorganized faculty salary increases are established discretionary increases.
2. Salary adjustments at 7% for all professional and scientific personnel with 5% delineated as cost of living and 2% established for discretionary increases.
3. Merit adjustments averaging 3% and cost of living adjustments established at 5.2% for general services staff with contract terms holding for organized personnel.
4. FICA and IPERS adjustments at approximately 0.5% for all personnel categories.
5. Health insurance rate adjustments at 11% plus \$3.75 monthly family contribution support not to exceed specified levels for personnel categories, with contract terms holding for organized personnel.
6. Banked sick leave payout for eligible retirees with total per retirement not to exceed \$2,000.
7. Reimbursement for personal vehicle travel increased 3¢ per mile.
8. Supplies and services price inflation at 5%.
9. Fuel and purchased electricity inflation at 11%.
10. Library book acquisition inflation at 10%.
11. Building repairs and equipment inflation at 7%.

Special Purpose Appropriations

The Board Office noted that the Board of Regents and its institutions administer a number of special purpose appropriations in three categories: those to the board for allocation to Regents' institutions; standing appropriations or those that continue unless otherwise changed by statute; and a small number of special appropriations separate from the above which, to continue, must be reappropriated biennially. The following table summarizes these appropriations:

<u>Program</u>	<u>Institution</u>	<u>Appropriations</u>		
		<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
<u>Board of Regents Appropriations</u>				
Western Iowa Continuing Edu.	Board of Regents	\$100,000	\$100,000	\$ 100,000 <sup>a/</sup>
Enrollment Increase Cost	Board of Regents			500,000 <sup>a/</sup>
Fuel & Purchased Electricity	Board of Regents		550,000 <sup>a/</sup>	
Fed. Medical Ed. Fund Loss	Board of Regents			400,000 <sup>a/</sup>
Census Data Center	Board of Regents			76,500 <sup>a/</sup>
<u>Subtotal</u>				<u>\$1,076,500</u>
<u>Standing Appropriations</u>				
Excess/Quota Patients	SUI	\$ 75,000	\$ 50,000	\$ 50,000
Livestock Disease	ISU	200,000	200,000	300,000
Clothing & Transportation	ISD/IBSSS	2,500	8,000	9,000
Tuition Payments & Transp. Costs	ISD/IBSSS	-	7,000	7,000
<u>Subtotal</u>				<u>\$ 366,000</u>
<u>Other Appropriations</u>				
Family Practice	SUI	\$900,000	\$985,000	\$1,085,000
Mental Hygiene	Mental Health Authority			136,081
Coal Research	ISU	500,000	300,000	300,000 <sup>b/</sup>
Ethanol Research	ISU	-	51,000	<sup>c/</sup>
<u>Subtotal</u>				<u>\$1,521,081</u>
<u>TOTAL</u>				<u>\$2,963,581</u>

- a/ For reallocation to institutions and contingent on final appropriation approval.  
b/ Appropriated for 1979-81 biennium after which the program is to be discontinued.  
c/ Provides for carry-forward of 1978-79 funding.

Final Budget Plans - 1979-1980

The Board Office noted that, at the time of the board meeting, neither the Omnibus Education Bill nor the State Salary Bill has been signed into law. Further, the Salary Bill is in a substantially different form than previously. While Regent institutions' salary assumptions are clear, whether the amount of funds in the bill will cover all state agency needs is unknown. Institutions were asked to develop internal salary recommendations with options for change. It appears, according to the Board Office, that health insurance rate changes and unused sick leave reimbursement will be funded as actual conditions warrant rather than full funding based on original estimates. As a result of uncertainties, the Board Office noted that material changes may be required for final budgets in June, or even later than that.

The Board Office indicated that with some allocations for new enrollment funding and essential program adjustments not yet distributed to expense categories in the preliminary budget and only partial identification of net position changes for 1979-1980, additional program level position change information will be needed for the June final budget docket items. This information will be useful for institutional staffing analysis, board staff analysis, and external inquiry, if needed.

Vice President Moore commented that the final budgets will contain all the details but that changes will not be sent to the printer until June 1. Since the docket materials are due June 6, some summaries will not be included with docket materials but will be received separately by the time of the board meeting. Executive Secretary Richey said that information concerning budgets should be received prior to approval. Mr. Moore said he wanted the board to be aware of the time problems involved.

Mr. Richey noted, for the benefit of the new Regents present, that the budget will include the salary of every General Fund employee in the university as of that point and will establish the salary of institutional heads. This information then becomes the salary policy for the administration, faculty, professional and scientific, etc. He said that, normally, an analysis is presented at the same time, although it may not be available until a subsequent meeting.

Vice President Jennings reported that the University of Iowa will have its summary on the normal date. Although budgets might not be bound, the documents will be available on the day of the meeting. He said that the analysis will be forthcoming in July or August, although summary information and "jibing with the summary" will be done on deadline. Vice President Stansbury said that the University of Northern Iowa will have everything done in advance for the analysis to be made. President Petersen said the board would deal with deviations from the normal procedure as they occur.

Enrollments and Tuition

The Board Office noted that, based on institutional enrollment projections, the 1979-1981 biennium may be the last for several to forecast enrollment increases. For 1979-1980, the overall increase forecast is 1.1 percent in terms of student full-time equivalents and 1.4 percent in terms of fall term headcount. The Board Office indicated that with enrollment decline anticipated, board staff will be reviewing enrollment patterns and rates of change to see how they impact the budget process, tuition collections, and unit cost analysis, and program dimensions.

Income. The Board Office noted the following information related to income:

- State appropriations in 1979-1980 (excluding standing and other appropriations, p.620 ) are \$238.0 million for Regents institutions; appropriations in 1977-1979 were \$215.9 million.
- Appropriations increase 10.2 percent in 1979-1980 over 1978-1979 while 1978-1979 shows an increase of 10.6 percent over 1977-1978.
- With inflation heading for double digits again, real dollar increments may be non-existent.
- When the mix of appropriations and institutional income is compared, budget unit by budget unit for 1978-1979 and 1979-1980, percentage change is marginal: appropriations increase from 64.1 percent to 64.6 percent while institutional income declines from 35.9 percent to 35.4 percent.
- If institutional income ceiling adjustments follow the 1978-1979 pattern, by the end of 1979-1980 the mix of appropriation and institutional income for general fund operations should be even closer to the current year.

The Board Office pointed out some significant differences in the relative importance of institutional income to education and general operations among appropriation units:

- The three general university units produce 21 percent to 26 percent of operating revenues, with tuition and indirect cost recovery from grants and contracts the primary components.
- General operations for the special schools produce about 4 percent of their operating income and none from tuition.
- University Hospitals expect to produce 75 percent of operating revenue in 1979-1980 almost entirely from paying patient income.
- The largest single source of institutional income at the special schools, the Iowa State University Agriculture and Home Economics Experiment Station, and the Cooperative Extension Service is derived from federal allocations.

The Board Office noted that major differences in proposed 1979-1980 institutional income levels and original appropriation calculations of this income are the result of revised tuition estimates relating to new enrollment (ISU and UNI), direct federal funding (ISU Cooperative Extension Service), sales and service income (University and Psychiatric Hospitals) and indirect cost recovery from federal grants and contracts (SUI and ISU).

Expense. The Board Office noted general fund expenditure information:

- Total budget general fund expenditures for 1979-1980 are proposed at \$368.4 million--\$31.4 million above current year proposed (revised) budget ceilings; \$36.2 million above current year original budget ceilings; and \$6.1 million more than \$362.3 million appropriation calculation for 1979-1980.

- Increases in proposed expenditure authority impact all standard expenditure categories.
- Appropriation calculations are benchmark calculations that follow directly from taking the 1978-1979 original budget ceilings (exclusive of any internal reallocations or revised budget ceilings) and adding increases from the appropriations process.
- Institutional proposed levels of expense incorporate reallocations and add proposed new expenditures from new institutional income estimated subsequent to appropriations calculations.
- The difference between original appropriations calculations and institutional proposals is \$6.1 million, attributable to the following institutions: SUI, \$5.6; ISU, \$0.4; UNI, \$0.1.

The Board Office presented in table form the structure of increases in proposed expenditures for 1979-1980, the \$36.2 million additional expenditures, including the \$6.1 million from new institutional income: first, as general elements of expense, and, then, as standard expense categories:

**Increased Expense by Budget Element**  
(\$Millions)

<u>General Category</u>	<u>1979-80</u>
1. Salaries & Fringe Benefits	\$19.9
2. Price Inflation - Nonpersonnel	7.0
3. Essential Program Adjustments	2.3 <sup>a/</sup>
4. Other Essential Adjustments - Revised Institutional Income	6.1
5. Formula Based Adjustments - Equipment & Building Repairs	0.4
6. <u>Unfunded Enrollment Growth</u>	<u>0.5</u>
<u>Total</u>	<u>\$36.2</u>

a/ Includes paying patient proration at University Hospitals. See Table 10 for appropriation support only.

**Preliminary Expenditure Increases by Budget Line**  
1979-80  
(\$Millions)

<u>Expense Category</u>	<u>1978-79</u> <u>Original</u>	<u>1979-80</u> <u>Proposed</u>	<u>1979-80</u> <u>Change</u>
Faculty & Institutional Officials	\$123.8	\$135.1	\$11.3
Professional & Scientific Staff	58.4	64.4	6.0
General-Services Staff	79.2	87.3	8.1
Fuel & Purchased Electricity	14.9	17.0	2.1
Supplies and Services	45.7	53.0	7.3
Equipment	2.9	3.5	0.6
Books	4.2	4.7	0.5
<u>Building Repairs</u>	<u>3.1</u>	<u>3.4</u>	<u>0.3</u>
<u>Total</u>	<u>\$332.2</u>	<u>\$368.4</u>	<u>\$36.2</u>

Current enrollment and tuition estimates for 1978-1979, as well as updated forecasts for 1979-1980, were summarized as follows:

(\$000s omitted)

<u>Year/Category</u>		<u>S U I</u>	<u>I S U</u>	<u>U N I</u>	<u>Total</u>
<u>1978-79</u>					
Budgeted Enrollment <sup>a/</sup>	FTE	21,346	23,093	9,688	54,127
Current Estimated Enrollment	FTE	21,346	23,093	9,688	54,127
Current Estimate over/(under) Budget	FTE	-0-	-0-	-0-	-0-
Budget Enrollment	HC	22,990	23,052	10,455	56,497
Current Estimated Enrollment	HC	22,990	23,052	10,455	56,497
Current Estimate over/(under) Budget	HC	-0-	-0-	-0-	-0-
Budgeted Student Fee Income	\$	\$19,157	\$20,216	\$6,424	\$45,797
Current Estimated Student Fee Income	\$	19,197	20,416	6,424	46,037
Estimate over/(under) Budget	\$	\$ 40	\$ 200	-0-	\$ 240
Average Revenue per Estimated FTE	FTE	\$899.30	\$884.10	\$663.10	\$850.50
<u>1979-80</u>					
Budgeted Enrollment	FTE	21,535	23,366	9,830	54,731
Current Estimated Enrollment	FTE	21,535	23,366	9,830	54,731
Current Estimate over/(under) Budget	FTE	-0-	-0-	-0-	-0-
Budget Enrollment	HC	23,205	23,470	10,596	57,271
Current Estimated Enrollment	HC	23,205	23,470	10,596	57,271
Current Estimate over/(under) Budget	HC	-0-	-0-	-0-	-0-
Budgeted Student Fee Income	\$	\$20,994	\$21,353	\$6,905	\$49,252
Current Estimated Student Fee Income	\$	21,034	21,630	7,006	49,670
Estimate over/(under) Budget	\$	\$ 40	\$ 277	\$ 101	\$ 418
Average Revenue per Estimated FTE	\$/FTE	\$976.70	\$925.70	\$712.70	\$907.50
% Increase over 1978-79		8.6%	4.7%	7.5%	6.7%

a/ All references to budgeted information refer to that level approved by the Regents as part of the 1979-81 biennium appropriation process.

The Board Office noted that tuition increases approved by the Regents for the biennium range from 10 percent to 12.7 percent, depending on the institution,

residency, and level of student. Based on the preceding table and assuming a 10.5 percent average tuition increase, the Board Office suggested that the ~~universities~~ are estimating tuition and special fees conservatively. Further review on tuition and fee collections is planned following fall and winter terms to determine if this is the case. The Board Office indicated that the institutions have a responsibility to estimate tuition and fees, as well as other institutional income, at the highest level consistent with reliable earning expectations, because underestimated income may be perceived by external reviewers as resulting in unnecessary increases in appropriations.

The Board Office noted that institutional preliminary budget proposals are found in separate institutional docket actions. A summary of proposed budget ceilings by appropriation unit is listed below:

<u>Appropriation Unit</u>	<u>1978-79 Estimated Budget<sup>1/</sup></u>	<u>1979-80 Proposed Budget</u>	<u>1979-80 % Change</u>
University of Iowa			
General University	\$104,834,000	\$114,527,000	9.2
University Hospital	73,868,000	80,947,000	9.6
Psychiatric Hospital	5,394,000	5,841,000	8.3
State Hygienic Laboratory	1,991,000	2,180,000	9.5
Hospital School	3,153,000	3,386,000	7.4
Oakdale Campus	1,811,000	1,910,000	5.5
Iowa State University			
General University	\$ 87,153,000	\$ 95,019,000	9.0
Experiment Station	9,837,000	10,657,000	8.3
Cooperative Extension	10,806,000	11,788,000	9.1
University of Northern Iowa			
General University	\$ 32,788,000	\$ 36,390,000	11.0
Iowa School for the Deaf	\$ 3,499,000	\$ 3,711,000	6.1
Iowa Braille & Sight Saving Sch.	\$ 1,893,000	\$ 2,005,000	5.9
<u>Total</u>	<u>\$337,027,000</u>	<u>\$368,361,000</u>	<u>9.3</u>

<sup>1/</sup> Assumes prior and proposed budget ceiling changes are approved by the Board of Regents excluding supplementary appropriations for fuel and purchased electricity.

The Board Office noted that increases for 1979-1980 over 1978-1979 range from 5.5 percent (Oakdale Campus) to 11 percent (University of Northern Iowa). The overall increase of 9.3 percent is based on modified budget ceilings, not on the original 1978-1979 budget ceilings.

Program Growth and Change. The Board Office noted that program growth and change, for reporting purposes, encompass material reallocations of existing support and changes in program support from new funding; salary and benefit adjustments, as well as price inflation funding are excluded. Essential program adjustments specifically funded in the Omnibus Education Bill and new enrollment funding (from appropriations) amount to \$2.4 million for 1979-1980. The distribution of that funding by expense category is compiled below:

<u>Expenditure Categories</u>	<u>Essential Program Adjustments</u>	<u>New Enrollment Funding</u>	<u>Total</u>
Faculty & Institutional Officials	\$ (32,500)	\$470,000	\$ 437,500
Professional & Scientific	108,000	-	108,000
General Services Staff	278,475	20,000	298,475
Fuel	207,500	-	207,500
Supplies & Services	1,209,000	10,000	1,219,000
Equipment	86,500	-	86,500
Books	-	-	-
Building Repairs	-	-	-
<u>Total</u>	<u>\$1,856,975</u>	<u>\$500,000</u>	<u>\$2,356,975</u>

The Board Office noted that elements of program growth and change supported by these funds and support from new institutional income and material resource reallocations are highlighted in the institutional sections.

Policy Considerations. The Board Office noted two policy considerations to point up budget planning policy problems:

- The State Salary Act, as currently established, includes \$14.5 million of the \$19.9 million expected for salary and benefit adjustments for Regents' institutions in 1979-1980. Where the assumptions used for developing increases are firm, the administration of the State Salary Bill through the State Comptroller's Office may result in appropriation draws that vary somewhat from assumptions used in developing institutional budget plans for 1979-1980. The institutions have been advised to keep options open. The Board Office will estimate the impact on Regent institutions as guidelines for the administration of the State Salary Bill are firmed up.
- Institutional income estimates must be realistic to protect education and general operations from unanticipated short-falls from enrollment decline, changes in indirect cost recovery rates from grants and contracts, etc. As reliable estimates of institutional income become available, budget ceiling change proposals develop.

Institutions face difficulties as they try to estimate income at levels that maintain credibility with external review agencies but do not place them in a position of having to address program retrenchment or supplemental appropriations to maintain existing program if estimated income does not materialize.

The final recommended action, tuition remission for the faculties at the special schools, was discussed by the Board Office.

With enactment of P.L. 94-142, Education for All Handicapped Children Act of 1975, the Department of Public Instruction (DPI) became the funding agency for all federal funds relating to the education of handicapped students in Iowa. As a result, DPI now requires annual program review at the special schools and has established certification requirements for these faculties somewhat different from those required for certification by respective professional associations. Although temporary DPI certifications have been given to current faculty--provided they take at least two courses toward permanent certification annually--all must be permanently certified within the next three years.

The Board Office noted that because of this additional burden, as well as to encourage graduate study, the superintendents have requested that assistance be given to these faculties to help them pay tuition costs for approved graduate studies or courses needed for DPI certification, both this year and next. Cost of the benefit to ISD is estimated at \$4,000 this year and \$2,000 next academic year; cost to IBSSS, \$2,000 this year and \$1,000 next year.

The Board Office recommended that the board permit both schools to reimburse 50 percent of the tuition paid by a faculty member for courses approved by the superintendent at each school and for which, in the superintendent's opinion, the faculty member receives a satisfactory grade, with the cost not to exceed \$400 for any one faculty member per year for the academic years 1978-1979 and 1979-1980.

Regent Belin commended the tuition remission proposal as a productive action to upgrade the program at the special schools.

MOTION:

Regent Belin moved the board: 1) authorize budget ceiling changes for fuel and purchased electricity to complete fiscal year 1978-1979; 2) approve the uniform policy on price inflation (p.624 ); 3) approve special purpose appropriations with any further allocations necessary addressed separately at future board meetings (p. 625 ); 4) request that final budget plans to be presented at the June meeting incorporate, in summary form, net changes from preliminary proposals, including any allocations of new funding, reallocations of existing support and a summary of changes in number of personnel using full-time equivalents (FTE) by category by program; and 5) permit ISD and IBSSS to reimburse their faculties for tuition for approved courses taken on a matching basis, not to exceed \$400 per person for the academic years 1978-1979 and 1979-1980. Dr. Harris seconded the motion, and it passed unanimously.

REVISED BOARD OFFICE BUDGET, FISCAL YEAR 1978-1979, AND PROPOSED PRELIMINARY BUDGET FOR 1979-1980. The Board Office requested the board approve: 1) the revised budget for the Board Office in FY 1978-1979 of \$535,738, including funds for purchase of word processing equipment; 2) transfer in FY 1978-1979 of \$16,716 in unneeded funds for unemployment compensation from the Iowa School

for the Deaf and Iowa Braille and Sight Saving School to the Board Office and, further, that the sum of \$5,616 each from the University of Iowa and Iowa State University and \$2,808 from the University of Northern Iowa be transferred to the Board Office in FY 1978-1979; and 3) preliminary operating budget for the Board Office for FY 1979-1980 of \$579,839.

The Board Office noted that its budget for FY 1978-1979 was approved at the level of \$519,389, which includes a transfer from Iowa School for the Deaf and Iowa Braille and Sight Saving School of \$14,517 in unneeded funds for unemployment compensation. This transfer was required because of unfunded salary increases and an error in estimating reimbursements to the office. Since the adoption of the budget, the Board Office was required to move from the Grimes State Office Building to the Lucas State Office Building at an estimated cost of \$6,000. Although the Board Office reported net budgetary savings of about \$3,700 (primarily in salary savings), it noted that it could not absorb the full cost of moving within the originally adopted budget and, thus, requested the amount transferred from the two special schools be increased from \$14,517 to \$16,716.

The Board Office noted that the three universities have agreed to fund, in the current fiscal year, the purchase of word processing equipment. Of the \$14,040 cost, the University of Iowa and Iowa State University will provide \$5,616 each and the University of Northern Iowa will contribute \$2,808 to the Board Office.

The Board Office reported that the interinstitutional study indicated that efficiency of both professional and secretarial staff in the preparation of memoranda and reports at the Board Office would be improved by the addition of word processing equipment. The Board Office expressed appreciation for the contributions from the universities.

The proposed preliminary budget of \$579,839 for FY 1979-1980 was reported by the Board Office to be based on estimated allocations by the State Comptroller of funds for salary increases and other purposes as provided in S.F. 499. A separate appropriation bill of office operation provided \$352,00 for FY 1979-1980, a sum which is augmented by institutional contributions to finance the costs of the operation of the Regents Merit System, Employment Relations, and Equal Employment Opportunity units in the office. The budget includes \$17,867 for salaries and wages over and above normal levels because there will be 27 pay periods in FY 1979-1980, causing institutional contributions to be higher than otherwise.

The salary policy assumed in the proposed preliminary budget, according to the Board Office, is based on proposed revisions in the Regents Merit System pay plan for the secretarial employees and on the provisions of S.F. 499 for the professional and scientific (P & S) staff. S.F. 499 provides that the average general increase shall not exceed 5.2 percent and this amount is augmented by an average of 3 percent for discretionary increases as provided in the basic appropriation bill for Board Office operations. The Governor's recommendations adopted by the General Assembly applied the same policies for increases in compensation to the Board Office P & S employees as for other employees in the central state payroll system. The Board Office noted that specific salaries will be proposed in the detailed budget in June based on these policies, as well as the pay ranges and classifications approved at the May meeting by the board for P & S staff.

Other items noted relating to the Board Office budget were:

- The proposed preliminary budget does not show a salary increase for the executive secretary, because the salary is established by the Governor within the pay range established by S.F. 499. The range for the position will be \$35,000-\$45,000, if Senate action is adopted by the House.
- The preliminary budget for operating expenditures other than salaries is based on amounts included in the Governor's budget recommendations for FY 1979-1980. Amounts allocated to specific categories of expenditure will be revised to reflect price inflation and the needs in each category as estimated when the final budget is presented in June.
- Changes in costs required by the move to the Lucas Building will be reflected in the final figures within the total approved in the preliminary budget.
- Austere measures will be required with respect to the nonpersonnel segment of the budget next year.
- The portion of the budget financed by institutional contributions is up 11.5 percent, with a major increase caused by the 27th pay period. Excluding the 27th pay period increases, institutional contributions are up 7.9 percent, with major increases from funding of salary policies approved by the General Assembly. The amount budgeted for nonpersonnel expenditures in fiscal year 1979-1980 (based on revised estimates for FY 1978-79) showed an overall net decline.
- No new functions or staffing in the office are assumed. Relief for the overload of work related to the Facilities and Business Management unit will be provided by reassignment of functions until additional staffing can be budgeted.
- Nonsalary categories of the budget are increased by an average of 5 percent for price inflation. State printing service costs have increased 43 percent in recent days.

MOTION:

Mrs. Belin moved the board approve: 1) the revised budget for the Board Office in FY 1978-1979 of \$535,738; 2) transfer in FY 1978-1979 \$16,716 in unneeded funds for unemployment compensation from the Iowa School for the Deaf and Iowa Braille and Sight Saving School and \$5,616 each from the University of Iowa and Iowa State University and \$2,808 from the University of Northern Iowa to the Board Office; and 3) a preliminary operating budget for the Board Office in FY 1979-1980 of \$579,839. Mr. Brownlee seconded the motion, and it passed unanimously.

President Petersen inquired if Regents should communicate with the Legislature about the executive secretary's salary. Mr. Richey asked the board to wait until ~~the~~ the June meeting to ~~add~~ address the issue to give them time to act on it.

ISSUES RAISED IN THE UNIVERSITY OF NORTHERN IOWA GENERAL STATE AUDIT FOR FY 1978. The Board Office recommended that a review of issues raised in the FY 1978 University of Northern Iowa General State Audit be deferred for further study and consultation with the State Auditor. The Board Office noted that more time is needed to comply with Regent Bailey's request for review. No objections were raised to deferral.

REVISIONS TO THE ADMISSION RULES, IOWA STATE UNIVERSITY. The Board Office recommended the board approve revisions to rules regarding admissions for undergraduate students undergraduate students in all colleges of the university and for graduate students.

The Board Office noted that the changes, related to sections 2.25, 2.26, 2.27, and 2.28 of the Administrative Code, do not significantly alter present admissions practices. According to the Board Office, revisions: 1) call attention to areas of study needed to prepare a student for Iowa State University; 2) specify criteria for admission to the College of Veterinary Medicine beginning in the fall of 1980; 3) clarify the various types of graduate admission and the means of moving from one category to another; and 4) delete rules relating to the phased-out Technical Institute.

Vice President Christensen noted that the revisions have been approved by appropriate bodies in the university.

MOTION: Regent Belin moved the board approve revisions to the admissions rules for Iowa State University, as described above. Regent Barber seconded the motion.

Regent Wenstrand commented that when he attended Iowa State University, admission applications for the College of Veterinary Medicine could be submitted on completion of the second year; now completion of three years is required. Vice President Christensen replied that the change will be effective in 1980 and is intended to provide a better view of the applicant's ability. He said this will not present a problem, because the majority of applicants have baccalaureate degrees.

VOTE ON MOTION: The motion passed unanimously

AFFILIATED ORGANIZATION REPORT: UNIVERSITY OF IOWA FOUNDATION. The Board Office recommended the board receive the report of the University of Iowa Foundation.

The Board Office noted that since its founding in 1956, the foundation has received \$40,112,619 in gifts to support the endeavors of the university in scholarship, teaching, and research. Current financial statistics indicate

that 14 percent of the \$40 million was received in 1978 alone and nearly half of the \$40 million since 1970 and that total gifts and pledges of \$10.9 million were received in 1978, \$1.3 million more than in 1977.

The foundation statement notes an 11 percent increase in membership in the Pentacrest Society (annual contributions of \$500 or more) and an 18 percent increase in The President's Club membership.

Projects noted by the foundation include:

- . a campaign to raise \$2.1 million to open a cardiovascular center in the College of Medicine;
- . a \$1.5 million contribution to the College of Medicine for scholarships and research;
- . membership of nearly 1,000 in the Hancher Circle for the Performing Arts; and
- . a gift of telephone access equipment to the Weeg Computing Center.

President Petersen expressed the board's appreciation to the foundation and other similar groups, which raise significant amounts of money to allow for excellence in programs.

President Petersen received the report on behalf of the board.

In response to an inquiry by Regent Belin concerning the choice of projects and allocation of funds by the foundation, President Boyd indicated two possible options: contributors earmark their contributions for a specific objective or the foundation accepts a university priority and raises money to fund it.

AFFILIATED ORGANIZATION REPORT: UNIVERSITY OF IOWA RESEARCH FOUNDATION. The Board Office recommended the board receive the annual report of the University of Iowa Research Foundation.

The report submitted by the foundation listed cash assets of approximately \$29,000, ownership of 15 patents, and rights to 14 patent applications. The foundation, incorporated in Iowa on April 11, 1975, to encourage and assist research and education at the university by furnishing means to safeguard and license inventions, has no members but is governed by a board of from five to twenty-five directors.

The foundation reported that in FY 1977-1978, 9 patent applications were filed; 4 patents were issued to the foundation; one license to make and sell an invention was granted to a manufacturer; negotiations were carried on to attempt to license 6 other inventions. The foundation reported participation in meetings and activities of the Licensing Executives Society and the Society of University Patent Administrators.

Regent Bailey noted that the foundation guidelines require at least one person from each of the following categories on the Board of Directors: foundation officers ~~and~~ trustees; Board of Regents or designee; faculty and administrative staff; and one representative of the public, including an alumnus of the university.

President Petersen noted that although organized for only a short time, the foundation has made considerable progress.

President Petersen received the annual report of the University of Iowa Research Foundation on behalf of the board.

**AFFILIATED REPORT: IOWA STATE UNIVERSITY ALUMNI ACHIEVEMENT FUND.** The Board Office recommended the board receive the 1978-1979 report on the Iowa State University Achievement Fund.

The Board Office noted that the Achievement Fund, established in 1932, is the fund-raising arm of the ISU Alumni Association; as such, it serves as the annual giving fund for alumni and friends and is an integral part of the university's overall development program. The Achievement Fund reported that its purpose is to aid the university by generation of private financial support for programs, activities, and projects for which public tax funds are unavailable and its resources are directed into hundreds of university activities.

According to the report, the Achievement Fund was upgraded in the late 50s in an effort to broaden the university's financial base through increased private support as President Emeritus Hilton and others foresaw some of the extraordinary needs higher education is now experiencing. Coincidentally, the ISU Foundation was established to seek large gifts for major capital projects and, together, the agencies have helped make Iowa State a national leader in alumni support among public universities. Other data was reported:

- . the fund generates more than \$2 million in private support annually from about 20,000 contributors, with 20,049 donors providing last year's income of \$2.6 million; and
- . the fund is governed by an 18-member Board of Trustees, of whom nine are alumni leaders appointed to 3-year terms by the Alumni Association Board of Directors; the balance serve by virtue of office held on other boards or with the university.

At the suggestion of Regent Wenstrand, Vice President Christensen provided some information on a retirement village project which the Achievement Fund is proposing. He noted that about three years ago, the fund sent out a questionnaire to determine alumni interest in such a project and received 1,500 responses and money from several to put their names on the line. He added that on the preceding night, the planning and zoning commission in Ames approved plans of the group for a retirement facility to be constructed behind Gateway Center with 75 units of town houses and highrise apartments. He said the contractor has been selected and construction will begin as soon as the units are sold.

President Petersen received the annual report of the Iowa State University Alumni Achievement Fund on behalf of the board.

SEMI-ANNUAL REPORT ON BOARD OF REGENTS' PURCHASING OPERATIONS. The Board Office recommended the board accept the semi-annual report on Board of Regents' Purchasing Operations.

The Board Office noted that the report contains statistical information for the period July 1 through December 31, 1978, and narrative reports from the institutions covering the period from October 1978 through early April 1979. The next report is scheduled for November 1979.

The Board Office noted that since the last report in November 1978, the Purchasing Committee has held three meetings with these highlights:

- Drafted a Vehicle Purchase and Disposal Policy to cover purchase of 1979 model vehicles which was subsequently adopted by the board at its December meeting. In that regard, the committee also listed with the State Vehicle Dispatcher 13 trucks for bids taken by the Vehicle Dispatcher on January 30, 1979. These were additive to the 135 vehicles listed with the Department of General Services bid opening last October.
- The committee at each of the meetings refined a recommended policy on prepayment of purchase orders. In each instance, the committee responded to comments made by the business officers on earlier review of the policy. This matter still needs further institutional consultation.
- The committee continued to discuss purchases made through Iowa State Industries. At each meeting, the committee hears reports from each institution on purchases made during the period between meetings and the volume of purchases made from Industries has continued to increase as a result of the institutional efforts in this regard.
- Awarded a large lamp contract for joint use of the institutions for calendar year 1979. Some seven bids were received with the low bid offering again the highest discount -- 75.55% off of list than had been offered in the history of this contract. This is a fixed discount through the life of the contract and is not subject to any price increases which occur during the year.

The purchasing officers hope to undertake a number of important matters over the next few months including a study on how to better manage energy consumption on motor pool vehicles; the use of gasoline credit cards, when it is to our advantage to use such card; the development of standard purchase order terms and conditions, which would be applicable to all five institutions; and initiation of a standard comparison list of food items.

Some of the highlights in the institutional narrative reports included:

- The excellent example of interagency cooperation demonstrated by the University of Iowa in extending the use of its pharmaceutical contract to other state agencies. The University of Iowa is to be commended for its efforts in this regard.

- Both Iowa State University and the University of Iowa speak to the matter of price increases in their reports. It will come as no surprise that the leader in a price increase over the past year is ground beef, which costs 56% more than a year ago. The Iowa State University report compares pricings as of September 1, January 1 and March 1 on certain selected items. This is an interesting comparison not only from the standpoint of the inflationary aspects, but because it helps the universities make a determination to a certain extent as to when certain items should be purchased, particularly if the university has adequate storage and a choice in the matter of purchase timing. In other instances, the universities are often at the mercy of the elements and the availability of supply. As an example, lettuce has gone up from March 1 to September 1 87% in cost per case. Cabbage, likewise, has gone up 94% during the same period.
- The Iowa State University report notes the receipt of an \$11,000 credit on an interactive computer which is the direct result of the Board of Regents having a joint contract with a particular computer firm. As the university notes, this highlights the importance of vendors being aware that the institutions exchange purchasing information on a regular basis.
- Finally, all the reports are replete with examples of the professional operations at Board of Regents' institutions. One of the very basic roles of purchasing is outlined in the University of Northern Iowa report where it states "The Purchasing Department continued to monitor requisitions with idea of lowering cost of items requested. In other cases, suggestions are made to departments to solve their need by some other method than purchase (either through use of surplus equipment on campus or sharing equipment with other departments). In other cases partial purchase is suggested or in some cases reasons are given to department which convinces them purchase is not in their best interests."

The Board Office included a summary of statistical information for the institutions, noting a steady increase in activity for the first six months of 1978-1979, as compared to a similar period in 1977-1978. The grand total dollar activity for purchasing is up 7.9 percent this year as compared to the last and cash discounts continue to increase (up 23.6 percent over the same period last year), according to the Board Office.

President Petersen commented that savings are realized in purchasing operations by joint purchase, prompt payment, and sharing of information on vendors. She said the board is proud of the work of the purchasing officers.

President Petersen accepted the semi-annual report on Board of Regents' Purchasing Operations on behalf of the board.

REPORT ON EMISSION REDUCTION PROGRAMS. The Board Office recommended the board accept the report on emission reduction programs and ratify the actions of the executive secretary, as noted below.

The Board Office noted that, over the past several years, the Board of Regents has been involved with the Iowa Department of Environmental Quality (DEQ) and the federal Environmental Protection Agency (EPA) in development of emission reduction programs affecting the power plants at Iowa State University, the University of Northern Iowa, and the Oakdale Heating Plant at the University of Iowa. The Board Office indicated that the purpose of its report is to bring the board up-to-date on actions relative to those specific emission reduction programs occurring over the past several months.

Iowa State University Emission Reduction Program

The Board Office included a copy of a letter received from the U.S. EPA in August 1978 indicating that the program is essentially complete. Although test results demonstrate compliance with Iowa air pollution control regulations, the university must continue to gather and retain data adequate to demonstrate precision and accuracy of its opacity monitor and calibration records for boiler controls and the opacity monitor. The program, as noted in the university's capital register this month, has cost slightly more than \$3 million.

University of Iowa -- Oakdale Power Plant

The Board Office noted that the board is under both a federal ORDER and a state Emission Reduction Program to reduce environmental deficiencies in the Oakdale Power Plant. All dates in that ORDER and the Program were met, up until the final date of January 15, 1979, for achieving and demonstrating final compliance on the plant. Construction on the project was completed by October 31, 1978, but the university was unable to make the recently-installed baghouse filter system function as specified; further, on January 10, 1979, a fire destroyed all the filter bags and the bag house.

The Board Office reported that, as a result, the Air Quality Commission and the EPA were asked to amend the ORDER and the Emission Reduction Program and incorporate the following dates:

April 15, 1979	Completion of review period and modification to system ordered.
September 15, 1979	Completion of modifications, as specified.
December 13, 1979	Run formal emission tests.
January 15, 1980	Achieve and demonstrate final compliance.

This schedule, delaying completion exactly one year, was approved essentially by the Iowa Air Quality Commission on March 15, 1979. Although the coal-fired boilers in the plant will not need to be used now until about September 15, they will have to be fired up to run the formal emission tests this winter. The Board Office reported that the State Executive Council approved \$23,000 to replace the bags lost in the January 10 fire so that repairs can proceed within the schedule set out.

Emission Reduction Program -- University of Northern Iowa -- Power Plant # 1, 2.

The Board Office noted that the board entered into an Emission Reduction Program On Plant #1 in March 1978. The program consists of replacing two small boilers in Plant #1 with a single, larger total capacity pulverized coal-fired boiler at Power Plant #2 and, as initially envisioned, providing additional pollution control equipment for boiler #1 at Plant #1, if required. Finally, the program will make boilers #2 and #3 in Plant #1 inoperable, as of June 30, 1979. The program has an overall completion date of December 1, 1979.

The Board Office noted other data:

Tests undertaken on boiler #1, Plant #1 indicate acceptable compliance with Iowa air quality requirements. Addition of pollution control equipment to that boiler will not be necessary.

As noted, boilers #2 and #3 at Plant #1 will be made inoperable and it is not known whether the federal EPA will require a performance bond to be taken out by the board to ensure that those boilers are made inoperative. The EPA has requested information on pollution control equipment which would be required if boilers #2 and #3 were operated. The Board Office said it indicated that the capital costs of pollution control equipment would be \$130,000 for each boiler, with annual operating and maintenance costs for control equipment to be \$800 each.

The Board Office reported receipt of a letter from EPA on April 23, 1979, alleging that the Board of Regents violated federal regulations when it constructed the new coal-fired boiler at Plant #2 without first receiving a federal PSD (prevention of significant deterioration) permit. The Board Office noted that, although a permit could have been issued at the time of the Iowa DEQ boiler review in June 1977, the DEQ required the type of emission control equipment to be determined by contract prior to formal issuance of an operating permit. That action did not occur until after the March 1, 1978, deadline for exemption from provisions of the federal Clean Air Act.

Executive Secretary Richey reported that a meeting is scheduled next week in Kansas City with federal EPA and state DEQ representatives, as well as Board Office and institutional personnel to attempt resolution of the University of Northern Iowa problem. He indicated that there is no indication that the university had not done all it was required to--the difficulty arose because the regulations became effective in the middle of the situation. Whether or not the regulations apply, he said, is crucial to the solution. He said that DEQ is cooperating and has been complimentary to the university. He added that he would communicate with the board after the conference to report on its outcome.

President Petersen accepted the report on behalf of the board.

BOARD OFFICE PERSONNEL REGISTER. The following action was shown on the Board Office Personnel Register and was recommended for ratification:

Return from leave:

Celia Mininger, Accountant, after 3-month leave without pay, effective April 30, 1979.

Expiration of appointment:

Dorothy D. Andrews, Accounting Clerk, temporary appointment, expired May 3, 1979.

In the absence of objections, President Petersen ratified the actions shown on the Register of Personnel Changes for the Board Office.

NEXT MEETINGS.

June 20-21	University of Iowa	Iowa City
July 26-27	University of Northern Iowa	Cedar Falls
August	No meeting scheduled	
September 13-14	University of Iowa	Iowa City
October 18-19	Iowa School for the Deaf	Council Bluffs
November 15-16	University of Northern Iowa	Cedar Falls
December 19-20	Iowa State University	Ames

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the general docket.

UNIVERSITY OF IOWA PARTICIPATION IN STOCKHOLDERS' MEETINGS. Regent Shaw referred the board's attention to material which he had distributed concerning the holding or selling of shares of stock by the University of Iowa and the participation of university personnel in annual meetings of shareholders. He said that recent discussion and action on the university campus, as well as articles in campus or other newspapers, have brought the subject to his attention.

Regent Shaw reminded the board that in past action, the board had referred a student request for the university to vote shares in accordance with support of human rights to the investment officials of the university who normally execute proxies. The board, in that instance, directed the officials who make the decisions to do so on the "basis of what they consider to be their best interest on this investment." (See Minutes, May 9-10, 1974, pp. 851-854.)

Regent Shaw then presented the board with background information on recent activities concerning the university and South-African related stocks. He noted that in early 1977, the university stated its position with respect to stock it owns in corporations doing business in South Africa. In an "Update on University Activities As a Shareholder in Companies Which Do Business in South Africa," the following data was presented:

- The University of Iowa is prevented by law from purchasing stock in private corporations. All corporate stock held by the university was acquired by gift. If this stock is sold, the proceeds cannot be reinvested in stock. Vice President Jennings indicated that once stock is sold the university cannot reinvest in stock but can purchase government bonds.
- Earnings from gift stocks are used to provide financial aid, student and faculty support and other university services in accordance with the donor's wishes. Long-range returns on these corporate shareholdings are, in general, greater than those received from types of investment property.
- The university recognizes that an indication of investment soundness is the quality and foresight of management. One characteristic of sound and farsighted management is responsiveness to fundamental principles of domestic and international law and the exercise of corporate social responsibility.
- The university believes that it can most effectively and consistently influence management's adherence to those

principles and the soundness of the university's investment through the exercise of its proxy voting power.

- The university does not believe that a blind sale of a minor amount of stock on a national stock exchange will affect management's action on any issue. Rather, through its exercise of proxy voting powers, the university can more effectively influence management's conduct and best safeguard the integrity of its investments.
- Three university officials were appointed to advise the university treasurer (who has the legal responsibility for voting university-owned stock) and they have made recommendations (with regard for the principles) to the treasurer with respect to stockholdings. These officials are Edward Jennings, Phillip Jones, and Casey Mahon.
- The university also supports the Sullivan Principles (which mandate nonsegregation in eating, comfort, and work facilities; equal and fair employment practices; equal pay for all employees doing equal or comparable work training programs initiation for blacks and other nonwhites for supervisory, administrative, clerical, and technical jobs; improving the quality of employees lives outside the work environment) and reported that all the companies in which the university owns shares have signed the principles.
- In 1979 the university reviewed shareholder resolutions related to corporate practices in South Africa.

Regent Shaw noted that an opposition movement on the University of Iowa campus had urged the university to divest itself of securities and that, in an April referendum, of 1,647 students who voted, 1,074 voted for the university to divest itself of South-African related stocks; and 573 voted for holding. The African Liberation Support Committee, which spearheaded the referendum, called for the university to respond in keeping with the mandate of students and to sell the stock.

Regent Shaw noted that the administration, however, chose to show opposition to apartheid in South Africa by participation by a university official in the shareholders' meetings of six corporations that have South African operations. According to an April 16, 1979, article in The Daily Iowan, Casey Mahon, Assistant to President Willard Boyd, and Phillip Jones, Associate Dean for Student Services, will attend shareholders' meetings of CitiCorp, Eastman Kodak, U.S. Steel, Texaco, Union Carbide, and Mobil Oil. Edward Jennings, Vice President for Finance, said "the administrator will make a statement on behalf of the University of Iowa opposing discriminatory company policies and will vote on anti-apartheid resolutions."

In a later article in the campus paper, Mr. Jones was quoted following his return from a Union Carbide stockholders' meeting:

The shareholders' movement is something tangible. I don't believe that the movement to divest is growing as fast. Corporations are responding to the shareholder resolutions, and I don't think they would respond to a blind sale of minimal amounts of stock that might easily be bought by large groups.

Regent Shaw said that although he was not proposing action in the matter of holding or selling securities, he wanted the board to be aware of this matter. He also noted that President Bok of Harvard in a Wall Street Journal editorial protested the using of university corporate resources for social and political campaigns. President Bok argued that using universities for political ends could threaten intellectual freedom within the university, compromising the university's independence from outside groups. Bok continued, "The principal issue is whether to use the university as a means of expressing moral disapproval or as a weapon in our fight against injustice even if we threaten to injure the academic functions of the institution."

Regent Shaw said he did not favor the university's decision to influence corporate decisions on ethical issues and that corporations are accountable to shareholders through laws. He said these decisions are not easy for management, even though they may have the same objectives as their shareholders, because management knows what actual operating conditions are and what can be done. He concluded that, further, it is one thing to base decisions on what the university believes is higher moral judgment; it is another thing to go before the public and spend the resources and time of high university officials to influence other stockholders' votes. The best action, he said, is to sell the stock.

Presidents Kamerick and Boyd voiced opposition to Regent Shaw's point of view. President Boyd said that the issue is very complicated and that the university has considered the policy carefully and has acted as it believed it should. He said he advocated working within the system and that the university's actions have been consistent with its policy and in the best interests of its investments. If the board is not in agreement with the position, he added, it has the authority to reverse the university's decision.

President Kamerick said that he, too, believes that proxy votes are important and further that writing letters to corporations expressing pleasure or displeasure, along with the proxy vote, is effective. He agreed that stockholders are morally responsible to express their opinions--a better action than to sell the stock. He said he thought it was not wrong to let the company know that stockholders are concerned about the way it is doing business.

President Boyd said he did not believe that writing letters is enough and that corporate laws do not provide much control. He said he believe such issues should be debated within the system, not controlled by the government.

Regents expressed some discomfort with spending funds to attend meetings. President Boyd said attendance addresses the issues "in substance as well as in form. One cannot say he is for the system and then not do anything for it. I believe in our system and one of the aspects is the corporation shareholders' meeting."

Other questions concerning investment decisions were responded to by President Boyd, Vice President Jennings and Assist to President Mahon. They noted:

evaluation of stocks and investments is performed by a committee consisting of Edward Jennings, Casey Mahon and Phillip Jones.

performance of stocks is monitored by the Office of the Treasurer at the university, with advice provided by experts at the Merchants Bank in Cedar Rapids; and

that judgments made since 1974 were made on the basis of the fiscal integrity of the stock, soundness of management, and the responsiveness of management to corporate social responsibility.

President Petersen noted that it is the policy of the board to allow members to bring up matters of concern to them. She said that if action is proposed, it will arise in the normal way. Regent Shaw said that he is sensitive to anti-corporation actions because he is extremely concerned about the future of the free enterprise system and, thus, brought the issue to the board.

Regent Barber said that the cost of a trip to the annual meeting should be weighed when considering returns on the investment and whether to hold or sell the stock. He also proposed that trip expenses be funded from investment profits.

INFORMATION NOTE. Regent Belin directed board members' attention to an article in the current AGB magazine, "The World and Us." She said it stresses the necessity for a global approach to relations with foreign students and international affairs. She said she would be interested in knowing "where the Regents' institutions are" in promoting international understanding and preventing international illiteracy.

Regent Bailey noted that the board had received a report recently that Iowa schools had an average of three percent foreign enrollment.

LENGTH OF BOARD MEETING DISCUSSION. Regent Bailey expressed uneasiness about the length of time devoted to the agenda items. He said he did not feel inclined to ask questions if he thought that members were eager to finish the agenda because he might be keeping them from leaving. He said he felt a heavy responsibility as a Regent from the standpoint of dollars but also for the welfare of the youth of the state. He said that he did not believe in relying on the Board Office completely. It is a Regent's responsibility to be sure of agreement with Board Office recommendations and, when not convinced, to take other action, he said. That type of deliberation is needed and the pressure to finish disturbs the process.

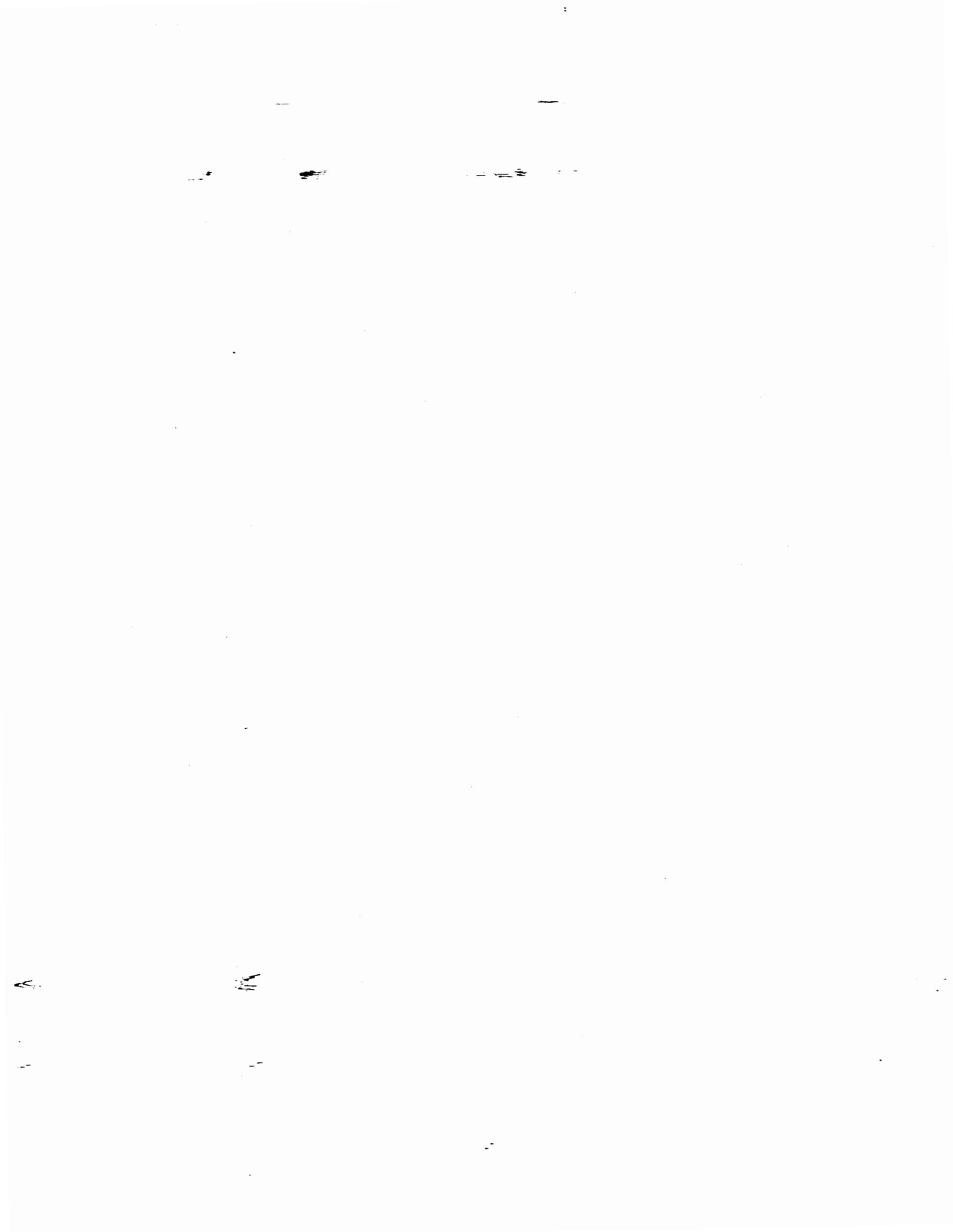
Several Regents assured Mr. Bailey that his questions are important to board deliberation and that he should not be inhibited in requesting clarification. Regents Harris and Belin stated that their understanding is sharpened by board discussion, and, though they have read the material, they are open and prepared to listen to other viewpoints. They stressed that Mr. Bailey should

not feel pressure because they welcome his pinpointing of items.

President Petersen ~~said~~ that she tried ~~to~~ facilitate the progress of board meetings but wanted, at the same time, to allow an adequate opportunity for thorough and rational discussion. She emphasized that no board member should leave with either a "burning or a small question or comment not made." She said she was proud of the board's willingness to work at its system.

Regent Belin said she has always felt free to ask questions and has not felt impatience or embarrassment. She encouraged the new Regents present to also enjoy that freedom.

Regent Bailey said he had been concerned about this issue and appreciated the board's response to his discomfort.



STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, May 17, 1979.

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

GRIEVANCE PROCEDURE FOR UNIVERSITY OF IOWA PROFESSIONAL AND SCIENTIFIC EMPLOYEES. The Board Office recommended that the board approve the grievance procedure for professional and scientific employees submitted by the university with the understanding that the policy apply to all professional and scientific employees except those with major administrative responsibilities.

Board Office discussion noted that in 1978 the board directed its institutions to develop personnel policies for professional and scientific (P & S) employees following consultation with affected personnel and to present such policies for board approval. The grievance procedure (pp. 643-647) proposed by the university will replace one originally developed for P & S and general service employees who are now covered by the Regents Merit rules. The Board Office noted that policies on other personnel matters at the University of Iowa and the P & S personnel policies of the other Regents institutions and the Board Office are being developed for presentation to the board later this summer or early fall.

Mary Jo Small, Assistant Vice President, said that a committee of P & S members of the Staff Council, has been working for more than a year to develop an appropriate grievance procedure as well as to define relationships not covered by Merit System rules. David Vernon, Professor of Law who drafted the policy, Mary Louise Miller, member, and Kimball Wall, chairperson, of the committee were present to comment on the proposed policy.

Mr. Wall said that the procedure had been unanimously approved by the Staff Council and had been reviewed by appropriate administrators. Professor Vernon briefly outlined the three-step prehearing process for resolution of a grievance:

Staff member presents grievance orally to immediate supervisor.

If first conference is unsuccessful in resolving grievance, staff member presents written statement of grievance to immediate supervisor, who consults with department head and provides written response.

If grievance is still unresolved, grievant requests review by and conference with head of his/her major administrative unit (e.g., Dean, Vice President, Director). Following the conference, the person reviewing the grievance provides a written response to the grievant.

## POLICY ESTABLISHING GRIEVANCE PROCEDURES

FOR

PROFESSIONAL AND SCIENTIFIC PERSONNEL

Section 1. Scope of Policy. This policy establishes procedures which a staff member, as defined in Section 2 below, must follow in seeking resolution of a grievance concerning administrative action or non-action relating to the staff member which:

- (a) involves improper discrimination prohibited by the constitution, statute or University policy;
- (b) involves the wrongful interpretation or application of established policies governing terms and condition of employment; or
- (c) results in disciplinary action, up to and including dismissal, for reasons unrelated to job performance or job-related conduct.

Matters not covered under (a), (b) and (c) above may be brought forward through regular administrative channels but are not covered by this procedure.

Section 2. Definitions. As used in this policy, each of the following words has the indicated meaning:

- (a) "Administrator" means the person or persons designated by the President to perform the functions assigned by this policy to the Administrator.
- (b) "Hearing Officer" means the person selected as provided in Section 7 of this policy.
- (c) "Presiding Officer" means the person designated to head the Staff Judicial Commission.
- (d) "Reviewing Officer" means the person designated by the President to assume the duties conferred on the Reviewing Officer by this policy.
- (e) "Staff member" means a person holding a permanent appointment in a classification listed in Appendix A of this policy.

Section 3. Limitations. A staff member may utilize the procedures established in this policy only on her or his own behalf, and may not utilize them:

- (a) to question general salary scales, general salary adjustments or the substance of University policies;
- (b) to raise questions relating to the classification of his/her position; or

- (c) to raise issues on behalf of persons similarly situated.

#### Section 4. Time Periods.

- (a) Calendar days will be used in computing any period of time prescribed or allowed by this policy, and the day of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless general University offices are not open on that day, in which event the period runs until the end of the next day on which general University offices are open.
- (b) A staff member must commence a proceeding under this policy within twenty-one (21) days of the discovery of the action or non-action giving rise to the grievance, and within one year of the action or non-action of which the staff member complains.
- (c) When this policy requires that some action in the grievance procedure be taken within a specified time period by a representative of the University and such action is not taken, the time limit governing the grievant's next step shall run from the latest time the omitted action should have been taken.
- (d) If the grievant fails to act within the time periods specified in this policy, the grievance shall be deemed to have been decided adversely to the grievant and may not be raised again

#### Section 5. Pre-Hearing Procedures.

- (a) Step One. A grievance procedure will be commenced by a written request for a conference sent by the grieving staff member to the person to whom the staff member is immediately responsible. The request will state in general terms the matter about which the grievant is concerned. Within nine (9) days of receipt of the written request, the immediate supervisor will confer with the grievant and, at the conclusion of the conference or within three (3) days thereafter, give an oral response to the grievant.
- (b) Step Two. If the oral response fails to satisfy the grievant, the grievant, within seven (7) days of the oral response, will file a written grievance with the person to whom the grievant is immediately responsible. The written grievance will state with reasonable particularity:
- (i) the events concerning which the grievant feels aggrieved;
  - (ii) the date or dates on which the events complained of occurred;
  - (iii) the date of the oral response in Step One, if such a response was made, and the grievant's understanding of that oral response; and

(iv) the remedy requested.

Within ten (10) days of receiving the written grievance, the immediate supervisor will consult with the head of the University department in which the staff member is employed and then respond in writing to the grievant, stating with reasonable particularity her or his understanding of the facts and of the oral response made, if either or both differ from the understanding of the grievant as stated in the written grievance. The written response also will state whether or not the requested remedy will be granted.

- (c) Step Three: If the grievant still feels aggrieved after receiving the written response called for in Step Two, the grievant, within seven (7) days of the receipt of that response, will file a request for review with the head of the major administrative unit in which the grievant is employed, e.g. with the Dean, Vice President, or Director (or designee), as appropriate. The request for review will be accompanied by a copy of all documents required to be submitted in Step Two plus the written response, if any. (Step Three is waived if the person to whom the staff member is immediately responsible is also the head of the major administrative unit.) The head of the major administrative unit, or designee, will confer with the grievant within seven (7) days of the filing of the request for review. Following the conference, the person reviewing the grievance shall have ten (10) days in which to respond in writing to the grievant.

Section 6. Request for Hearing. A grievant who is dissatisfied with the response of the head of the administrative unit, or designee, and wishes a hearing may obtain one by filing, within ten (10) days of the receipt of such response, a request for hearing with the Presiding Officer, with a copy being sent to the Administrator. The request will be accompanied by copies of all documents developed while the grievant proceeded from Step One through Step Three. Upon receipt of the request, the Presiding Officer will take the necessary steps to convene a hearing.

Section 7. Hearing Officer.

- (a) The Administrator and the grievant will select the Hearing Officer. They may choose a Hearing Officer from within the University or from outside. If they do not agree on a Hearing Officer within ten (10) days of the request for a hearing, the Presiding Officer will provide the two parties with a list of the names of seven persons, all of whom are experienced in dispute resolution. The parties will then select the Hearing Officer by alternately striking a single name until one name remains. The grievant will be the first to strike a name.

- (b) The Director of the Institute of Industrial Relations will provide to the Presiding Officer and the Administrator a list of seven persons who are skilled in the resolution of disputes dealing with professional staff in institutions of higher education, and who have agreed to serve. The persons names may be from within the University or from outside,

Section 8. Hearing. The Hearing Officer will conduct the hearing to assure that the grievant is accorded a full and fair hearing and all due process to which the grievant is entitled.

- (a) Scheduling the Hearing. Within fourteen (14) days of the appointment of the Hearing Officer, the Hearing Officer shall notify the parties in writing of the time, date and place of the hearing. The hearing shall be scheduled not earlier than ten (10) days nor more than twenty (20) days after notice has been given.
- (b) Record to be Kept. A tape recording shall be made of the hearing, except that on order of the Hearing Officer, procedural matters may be discussed off the record. After the hearing has been completed, the tapes and all documents shall be turned over by the Hearing Officer to the Presiding Officer, who shall keep them for one year. During the year, the tapes and documents will be available, under the supervision of the Presiding Officer, to both parties and the Reviewing Officer. After the one-year period the Presiding Officer shall deposit the record and documents in the University Archives unless the parties -- the grievant and the Administrator -- agree to some other disposition of the record and documents.
- (c) Burden of Proof. The grievant shall have the burden of proving by a preponderance of the evidence that the action or non-action complained of is improper under one or more of the standards established in Section 1 of this policy. The grievant will present evidence first.
- (d) Hearing Officer's Written Report. The Hearing Officer's written report shall be submitted to the Presiding Officer as soon as reasonably possible, but not later than sixty (60) days after the end of the hearing. The report shall include findings of fact, conclusions drawn from such findings, and recommended remedial action, if any. The Presiding Officer shall distribute the report to the grievant, the Administrator and the head of the administrative unit from which the grievance stemmed.

Section 9. Reviewing Officer's Review.

- (a) Review. The Hearing Officer's report and recommendations and the record made in the case will be forwarded to the Reviewing Officer for review. There will be no oral argument before the Reviewing Officer, but either party may submit a brief in support of the party's position. Such briefs shall be submitted within five (5) days of the case being referred to the Reviewing Officer.
- (b) Decision. After reviewing the report, recommendations, briefs (if any), and the record if deemed necessary, the Reviewing Officer will determine what administrative action, if any, shall be taken. In making a decision, the Reviewing Officer will give great weight to the recommendations made by the Hearing Officer. The Reviewing Officer's decision will be final, subject only to a decision by the Board of Regents to grant the staff member's request for review.

Section 10. Rights of Staff Members.

- (a) No retaliatory action shall be taken against a staff member because he or she utilized these regulations, or was a witness in a proceeding. A staff member who requests a hearing under these regulations may spend a reasonable period of time during working hours, not exceeding a half day, in preparing for the hearing. Such staff member shall be paid for the time so spent. Similarly, the staff member has the right to attend the hearing, and if the hearing is during working hours, the right to be paid for the time so spent.
- (b) The staff member, at the staff member's own expense, may be represented by an advisor of his/her choosing in all proceedings provided for in these regulations, except legal counsel at Step One.

May 17, 1979

Professor Vernon noted that if still unsatisfied the grievant may request a hearing before an officer selected by the grievant and the administrative head from a list provided by the Director of the Institute of Industrial Relations. The hearing officer's report and recommendations are forwarded to a representative of the president, who issues a decision which constitutes final institutional action. That decision may be appealed to the Board of Regents in accordance with Section 4.23 of the Procedural Guide.

The university suggested that the motion show concurrence with, not approval of, the university procedures.

## MOTION:

Mrs. Belin moved that the board concur that the University of Iowa grievance procedure for professional and scientific staff is consistent with the board's views as to what is appropriate for such a procedure. Dr. Harris seconded the motion, and it passed unanimously.

President Petersen commended the committee which worked on the procedures.

Mr. Richey commented that the policy offered basic guidelines for the other institutions and requested that a copy of the procedures be supplied for the Board Office files. President Boyd acknowledged that other institutions could modify the University of Iowa policies as they develop their own procedures.

BUDGET CEILING INCREASE, 1978-1979. The Board Office recommended that budget ceilings for 1978-1979 at the University of Iowa be increased as follows:

General University	\$1,450,000
University Hospital School	216,000
University Hygienic Laboratory	45,000
Oakdale Campus	40,000
	<u>\$1,751,000</u>

The Board Office noted that the proposed increases resulted from additional institutional income, with 60 percent of the changes attributable to University Hospitals, which are supported by self-generated income and by earned state appropriations for services to medically indigent patients. When compared to original education and general total budget authorizations, the budget ceiling changes approved or proposed for 1978-1979 amount to 2.4 percent.

The Board Office commented that Regents' institutions have a responsibility to estimate income at the highest level consistent with earning expectations to eliminate unnecessary increases in appropriations.

Specific delineation of purposes for the use of the proposed increased expenditure authority were listed by each appropriation unit, as well the sources for the additional income:

General University

- . Sources - indirect cost reimbursement, student tuition and fees, investment return, and salary savings.
- . Use of Funds - upgrading of the Weeg Computing Center central processing capability. Total cost of the upgrading is \$3,500,000.

Mr. Richey noted that the changes for the units for the current year will carry over as additions to the base for the budgets for next year.

Regent Shaw queried Vice President Jennings concerning the possibility of receiving educational discounts on computer equipment. Mr. Jennings said that prices quoted by eight vendors vary in amount but include educational discounts.

University Hospital School

- . Source - Third party reimbursable costs for acute patient hospitalization services.
- . Use of Funds
  - Health Care Services Staff \$28,000
  - Purchase of Diagnostic and Therapeutic Services 40,000
  - Remodeling and Code Compliance Analysis 44,900
  - Video Tapes and Rehabilitation Related Equipment 23,100
  - Installation of Smoke and Fire Detection System 80,000
  - \$216,000

The university noted the increased obligations to provide tertiary level care and rehabilitation under various laws and codes were the basis for the additional costs.

University Hygienic Laboratory

- . Sources - Unanticipated levels of income in hospital media supply water analyses, and analytical work for the Iowa Geological Survey, the Soil Conservation Commission, and the U.S. Corps of Engineers.
- . Use of Funds - Increased service levels and increased laboratory supplies relating to the increased workload. Of the \$45,000 revenue, \$33,775 will be directed to the Iowa City Laboratory and \$11,235 to the Des Moines Laboratory.

Oakdale Campus

- . Sources - Increased revenue from cafeteria and increased recovery of reimbursed overhead cost associated with federal training and research grants and contracts.
- . Use of Funds - Building repairs, including repair of North Wing Hospital roof, gutters and parapet walls which cover the University Hygienic Laboratory, totaling \$40,000.

President Petersen noted that the proposed expenditures are needed badly.

MOTION:

Dr. Harris moved the budget ceilings for the following units be increased as follows: General University, \$1,450,000  
University Hospital School 216,000  
University Hygienic Laboratory 45,000  
Oakdale Campus 40,000  
Total \$1,751,000

Mrs. Belin seconded the motion, and it passed unanimously.

PRELIMINARY OPERATING BUDGETS, 1979-1980. The Board Office recommended that the preliminary budget proposals be approved contingent upon the passage of the Omnibus Appropriation Bill for Education and the State Salary Bill, with budget ceilings as follows:

General University	\$114,527,000
University Hospitals	80,947,000
Psychiatric Hospital	5,841,000
Hygienic Laboratory	2,180,000
Hospital School	3,386,000
Oakdale Campus	1,910,000
Total General Fund, University of Iowa	<u>\$208,791,000</u>

The Board Office further recommended that a 9.6 percent rate increase for University and Psychiatric Hospitals be approved. Basic assumptions used by the institution in preliminary budget preparation were defined in board staff instructions and addressed in the General Docket preliminary operating budget discussion. Budget ceiling increases requested by the university are addressed on pp. 648-649.

The Board Office discussion highlighted elements of the university's proposed preliminary operating budget for 1979-1980 by appropriation unit.

#### General University

Income. Total income estimate for 1978-1979 (after budget ceiling increases) is \$26,145,000; total proposed for 1979-1980 is \$27,982,000. The \$1,837,000 addition results from increases in tuition income caused by a 10.7 percent tuition increase effective in fall 1979 and indirect cost reimbursement from grants and contracts in 1978-1979 which increased the original 1978-1979 Other Income total by \$1,410,000.

Expenditures. For 1979-1980 the net increase over 1978-1979 of \$9.7 million breaks down to \$8.2 million for inflation-related costs and \$1.5 million for essential program adjustments and new enrollment funding. Salary and personnel benefit costs are included as inflation costs and account for \$6.8 million of the total fund increase.

Program Change. Program change items proposed by the university total \$2,664,000 and result from \$1,450,000 revision of institutional income estimated in the appropriation process plus \$1,154,000 for essential program adjustments, and \$60,000 for new enrollment support. New fund support is directed to:

Colleges of Medicine and Dentistry	\$1,214,000
Undergraduate Advising Center	160,000
Special supplies and services	76,000
Essential program adjustments	1,154,000
Enrollment increases	60,000

Issues. Three issues were highlighted by the university: How to cope with inflation costs, how to shore up the eroded financial condition of the Colleges of Medicine and Dentistry, and how to order cost tradeoffs to effect needed changes in program and/or technical operations.

Discussion of the General University preliminary budget proposal touched on the serious financial problems of the Colleges of Medicine and Dentistry. Mr. Richey emphasized that the major allocation proposed for the two colleges is described as non-recurring but is expected to be incorporated

for several years. President Boyd added that serious problems must be addressed immediately. President Petersen agreed that needs for Medicine and Dentistry have a high priority for commitment of funds over the budget ceiling.

Support was voiced for the newly implemented Undergraduate Advising Center by Regent Belin. President Boyd commented that a variety of ages is represented on the center staff, a unit which has an admirable "esprit de corps."

President Petersen reminded the board that it had an opportunity for input in the budgeting process at this time and should not defer comments until the final budget is presented.

#### University and Psychiatric Hospitals

Income. Total income estimate for University Hospital for 1978-1979 is \$55,261,000; total proposed for 1979-1980 is \$60,836,000. The 10.1 percent increase is primarily a rate change and secondarily revenue from air care service. Total income estimate for Psychiatric Hospital for 1978-1979 is \$1,424,000; total proposed for 1979-1980 is \$1,563,000. The 9.8 percent increase is attributable to rate change only. The proposed rate increase of 9.6 percent for University and Psychiatric Hospitals fall within the President's expenditure guideline.

Expenditures. Proposed expenditure of \$80,947,000 for 1979-1980 for University Hospital is an increase of 9.6 percent over the \$73,868,000 total for 1978-1979. Proposed expenditure of \$5,841,000 for 1979-1980 for Psychiatric Hospital is an increase of 8.3 percent over the \$5,394,000 total for 1978-1979.

Program Change. University Hospital 1979-1980 program change funding covers income totaling \$1,796,000. Approximately two-thirds is proposed for supplies and services from rate increase support, while one-fourth is proposed to augment the Department of Nursing, Intensive Surgical Service, and Pediatric Nursing service staff including 25 new positions. Also integrated into the budget plans is the new Air-Care service, which was initiated in April 1979.

Issues. Heavy upward pressures on health care costs continue.

#### State Hygienic Laboratory

Income. Institutional income estimated at \$475,000 for 1979-1980 does not include the additional \$45,000 requested for 1978-1979 use, because there is no certainty that the increase can be maintained.

Expenditures. Proposed expenditure for 1979-1980 of \$2,180,000 is an increase of \$189,000 over the 1978-1979 total of \$1,991,000. Essential program adjustments for equipment, salary increases, and inflation are added.

Program Change. A program adjustment of \$78,000 to complete equipment needs at the Des Moines Branch is the only modification.

Hospital School

Income. Institutional income for 1978-1979 increased from an original estimate of \$137,000 to \$353,000 as a result of newly implemented third-party billing.

Expenditures. Proposed expenditures for 1979-1980 of \$3,386,000 is an increase of \$233,000 over the 1978-1979 total of \$3,153,000.

Program Change. Proposed increases for 1979-1980 include \$112,000 for personnel (required to meet workload requirement change in average length of patient stay) and \$104,000 for supplies and services.

Oakdale Campus

Income. Appropriation calculations and proposed institutional income levels coincide at \$197,000.

Expenditures. The 1979-1980 total of \$1,910,000 is an increase of \$99,000 over the 1978-1979 total of \$1,811,000 and conforms without exception to appropriation calculations.

Program Changes. No program changes are detailed.

MOTION:

Dr. Harris moved the board approve the preliminary operating budget proposals contingent upon the passage of the Omnibus Appropriation Bill for Education and the State Salary Bill with a total General Fund budget ceiling of \$208,791,000 (specific allocations of \$114,527,000 to General University; \$80,947,000 to University Hospitals; \$5,841,000 to Psychiatric Hospital; \$2,180,000 to Hygienic Laboratory; \$3,386,000 to Hospital School; and \$1,910,000 to Oakdale Campus) and approve a 9.6 percent rate increase for University and Psychiatric Hospitals. Mrs. Belin seconded the motion, and it passed unanimously.

APPOINTMENTS. The board was requested to approve the following appointments and reappointments as departmental executive officers in the Colleges of Liberal Arts, Business Administration, and Dentistry:

Samuel Becker, as chair, Department of Speech and Dramatic Art, for a three-year term, effective August 30, 1979.

John P. Boyle, as director, School of Religion, for a four-year term, effective August 30, 1979.

George Robert Boynton, as chair, Department of Political Science, for a three-year term, effective August 30, 1979.

Dee W. Norton, as chair, Department of Psychology, for a three-year term, effective August 30, 1979.

Robert H. Oehmke, as chair, Department of Mathematics, for a three-year term, effective August 30, 1979.

Marleigh G. Ryan, as chair, Department of Asian Languages and Literature, for a three-year term, effective August 30, 1979.

James P. Sandrock, as chair, Department of German, for a three-year term, effective August 30, 1979.

Sara C. Wolfson, as chair, Department of Home Economics, for a three-year term, effective August 30, 1979,

Timothy W. McGuire, as chair and professor, Department of Economics, effective July 1, 1979.

Lt. Colonel John Fanta, as head, Aerospace Military Studies, for a term determined by the U.S. Air Force.

Lt. Colonel Michael J. Bartelme, as head, Department of Military Science, College of Liberal Arts.

Donald B. Osbon, as head, Department of Oral Surgery, College of Dentistry, effective July 1, 1979.

Dr. Kenneth A. Turner, as head, Fixed Prosthodontics Department, College of Dentistry, effective June 1, 1979.

MOTION:

Mr. Brownlee moved the board approve the appointments and reappointments as departmental executive officers in the Colleges of Liberal Arts, Business Administration, and Dentistry listed on pp. 657-658. Mr. Wenstrand seconded the motion, and it passed unanimously.

SPECIAL SECURITY OFFICERS. The board was requested to commission David L. Wagner and Joseph Lentz as permanent Special Security Officers. Both officers have completed the Iowa Law Enforcement Academy eight-week recruit courses and have Bachelor of Arts degrees from the University of Iowa.

MOTION:

Mr. Brownlee moved the board commission David L. Wagner and Joseph Lentz as permanent Special Security Officers. Mr. Wenstrand seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR MAY 1979.  
Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of May had been received by him, was in order, and recommended approval pending Board Office review of the new project Hancher Auditorium and Music Complex Parking Lot Repairs and Parking Lot Expansion, and contractual and budget revisions on the Remodeling Field House Swimming Pool project.

The following construction contracts awarded by the executive secretary were recommended for ratification:

Hydraulics Laboratory -- Oakdale

Awards to:

GENERAL:	Burk Bros. Construction, Inc., Griswold, Iowa	\$59,607.00
MECHANICAL:	Gerard Electric Company, Iowa City, Iowa	<u>14,736.00</u>

Medical Laboratories -- Air Condition 428-444A

Award to: Jones Plumbing and Heating, Inc., Iowa City, Iowa \$65,500.00

Chemistry/Botany Library Renovation -- Rooms 400 and 403

Award to: O.F. Paulson Construction Company, Cedar Rapids, Iowa \$54,000.00

Currier Residence Hall -- Exterior Painting

Award to: Wayne Sullivan, Inc., Iowa City, Iowa \$28,580.00

(On this contract, the single bid irregularity was waived for two reasons: five additional contractors obtained plans and specifications but chose not to bid; and the single bid was well within the estimated construction cost.)

Quadrangle Residence Hall -- North Tower Window Replacement and Exterior Masonry Repair

Award to: North American Restoration Corporation, Perham, Minnesota \$27,310.00

(The Board Office noted an irregularity because the bid bond submitted as bid security was not countersigned by an Iowa resident agent in accordance with specifications. This irregularity was waived by the executive secretary since the bidding company was contacted on May 8, 1979, and agreed to submit a corrected bid bond. The surety company itself is registered to do business in the state of Iowa. It was determined that an honest error had been made by the bidder, who is new to Regents' work, in failing to have the bond countersigned by an Iowa resident agent. Both bidder and surety company cooperated fully to resolve the matter in satisfaction of specification requirements.)

The following construction contracts were recommended for approval:

Air Conditioning of the Alcoholism Program Suite on the Second Floor of Oakdale Hospital

Award recommended to: George Kondora Plumbing and Heating, Inc., Iowa City, Iowa \$167,440.00

The Board Office noted that the university is submitting a revised project budget totaling \$197,140, an increase of \$55,440 in the budget approved by the board in July 1978. Sources of funds are three different accounts carried on the Oakdale Campus. The university stated that it was unable to accurately anticipate the cost escalations resulting from inflation. The university analysis was that costs will continue to rise and, therefore, the recommended award and corresponding revised project budget was presented.

Currier Residence Hall -- Roof Repairs, North Wing

Award recommended to: Cedar Service Company, Cedar Rapids, Iowa \$15,997.00

The Board Office noted that the university is submitting a revised project budget totaling \$21,197, funded from Dormitory Improvement Reserves.

This represents an increase of \$6,667 over the budget approved by the board in June 1978. The university again stated that it was unable to accurately anticipate cost escalations resulting from inflation and, therefore, submitted the recommended award and revised project budget. A single bid was received on this project. Bidders' choice appears to be the reason for this irregularity.

University Hospitals -- Interior Completion of Fifth Floor, Southwest Addition

Awards recommended to:

GENERAL:	McComas/Lacina Construction Company, Iowa City, Iowa	\$59,732.00
MECHANICAL:	R.M. Boggs Company, Inc., Iowa City, Iowa	\$67,500.00
ELECTRICAL:	DeBrie/Klosterman Electric, Inc., Hills, Iowa	\$11,200.00

The university is also submitting a revised project budget totaling \$144,432, an increase of \$45,432 over the original budget. Source of funds is University Hospital Building Usage Funds. The university noted that low bids on this project were approximately 50 percent higher than costs on a similar project undertaken in March 1978.

Mormon Handcart Historical Site

Award recommended to: Parkview Company, Iowa City, Iowa \$30,310.00

The Board Office noted that the university is submitting a revised project budget totaling \$59,800, funded through the University of Iowa Foundation in a gift from the Church of Jesus Christ of Latter Day Saints. The church has approved the revised budget and contracts are ready to be awarded. Inflation is blamed.

The Board Office also directed the board's attention to two Final Reports (a number were listed on the Register):

Kinnick Stadium Repairs

The university's final report indicates a final net expenditure of \$1,832,664.40 on the project funded from \$1.4 million in borrowed funds and a \$440,000 advance from Treasurer's Temporary Investment Income. The balance of \$7,335.60 will be returned to Treasurer's Temporary Investment Income.

Dental Science Building -- Waterproofing and Repair

The university's final report indicates net expenditures of \$975,598.29. This matter is the subject of litigation against the contractor initially involved with the construction of the building.

Project budgets and descriptions were presented on six new projects:

Williamsburg Family Practice Office -- Completion of Lower Level and Handicapped Access

Source of Funds: U.S. Public Health Service Family Medicine Training Grant \$69,103.00

The board was requested to ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide architectural/engineering services on this project for a fee maximum of \$8,590, a sum which translates to over 16 percent of the construction cost. The Board Office queried the university concerning the negotiation of fee for the contract and requested a written explanation of the terms of the contract.

University Laundry -- Roof Replacement

Source of Funds: Laundry Service \$61,500.00

The physical plant department is selected as engineer and inspection supervisor.

Hillcrest Residence Hall -- Repair Roof, North and Center Sections

Source of Funds: Dormitory Improvement Reserve \$37,700.00

The physical plant department is selected as engineer and inspection supervisor.

Hawkeye Court Apartments -- Repair Roofs, Phase IV

Source of Funds: Dormitory Improvement Reserve \$89,900.00

The university noted that this project continues the maintenance program to replace the built-up roofs on the Hawkeye Court Apartment buildings and involves, in this phase, replacement of roofs on nine buildings.

2130 Engineering Building -- Convert into Offices

Source of Funds: RR&A \$16,206.00

The university stated that this project converts room 2130 into three faculty offices for Environmental Engineering. The physical plant department is selected as engineer and inspection supervisor.

Hancher Auditorium and Music Complex -- Roads Reconstruction

Source of Funds: Institutional Roads Construction, 1981 \$230,000

Institutional Roads Design & Inspection 29,000

TOTAL \$259,000.00

The university reported that this project is part of the current five-year institutional roads program. Because of the bad winter, the drives serving the fine arts complex have been experiencing progressive deterioration and immediate remedial measures are necessary. The university requested, in addition to approval of the preliminary budget and description, approval of a design agreement between the board and Iowa Department of Transportation (IDOT), Highway Division, whereby the Board of Regents would be permitted to design, let, and construct said project. The agreement, according to the Board Office, follows the normal format for agreements of this type. The university noted intent to undertake this work as early as possible, utilizing other institutional funds until the institutional road program is able to provide reimbursement in the program year of 1981. The board was asked to approve the selection of Shive-Hattery and Associates, Iowa City, Iowa, to provide full engineering services on the project, with compensation on an hourly rate basis with a maximum expenditure for basic services and reimbursable expenses of \$24,000. The university noted that if the board approves the project, IDOT will be requested to approve both the design agreement and the agreement with the engineers on the project.

The board was also asked to ratify institutional actions on four other contracts involving architects or engineers:

School of Art -- Industrial Design and Metal Smithing Studio Offices -- Health and Safety Renovations

The board was asked to ratify selection of Gene Gessner, Inc., Iowa City, Iowa, to provide full engineering services to the construction documents phase of the project at what appears to be a fixed fee of \$11,390. The Board Office noted that the board has not seen a project budget to this point, as the project still needs further definition. The Board Office said that it is difficult in reading Gessner's proposals to determine whether the contract is hourly rate or fixed fee and whether the rate on this particular contract is within line without knowing the total project budget. The Board Office suggested the university examine Gessner's rate structure on this project when it examines the earlier contract on the Williamsburg offices.

University Hospitals -- Burn Ward Waiting Room

The university requested the board ratify selection of R. Neumann Associates, Iowa City, Iowa, to provide final design services on an hourly rate basis with a maximum fee of \$2,000.

Football Office Suite -- Athletic Office Building

The university requested ratification of an increase in compensation in the contract with Harvey W. Henry Architect, Coralville, Iowa, of a maximum amount based upon hourly rate of \$5,500 to provide contract administration and project quality control during construction of this project. The university noted that earlier the board had approved a contract with this architect to provide design services on an hourly rate basis totaling \$12,000. Construction contracts were awarded at the April board meeting.

East Campus Play Courts

The university requested ratification of selection of Shive-Hattery and Associates, Iowa City, Iowa, to provide final design services on this project on an hourly rate basis at a maximum cost of \$2,800. The board previously selected this firm to provide preliminary design at a cost of \$2,280. Since that time, the board has approved a project budget totaling \$45,800. The Board Office noted that responsibilities of Shive-Hattery at this time do not include contract administration or meetings during construction.

The university brought forward three supplemental "Register" matters for action:

The university recommended one construction contract for approval:

Field House -- Remodel Swimming Pool

Award Recommended to: Burger Construction Company, Inc., Iowa City, Iowa	<u>\$268,255.00</u>
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The university also requested approval of a revised project budget totaling \$349,205, which is an increase of \$92,505 over the budget approved in March 1979 by the board. The project will be funded from Income from Treasurer's Temporary Investments.

Vice President Jennings noted that bids were \$90,000 above the original estimates of \$256,000 for this project which will increase the depth of the pool to 17 feet for diving purposes. He added that the original bid listed a 90-day completion time but that the award recommended did not include that requirement. The university had intended usage of the facility by October 15 but has now drawn up contingency plans for fall 1979, including using the city park while the weather is warm or the community center in Iowa City when the weather is too cold.

In response to questions concerning this project, Vice President Jennings replied that the university had stopped using the facility pending the repair and that the project had not previously been submitted because the funds were not available. He said the university had communicated with the Board Office regarding the proposal.

The university presented information on two other new projects at the meeting:

Hancher Auditorium and Music Complex -- Parking Lot Expansion

Source of Funds: Balances from Parking Operations \$ 65,300.00

The university requested approval of a new project and budget, as well as of selection of the physical plant department as inspection supervisor for the project. The university noted that selection of an engineering firm to provide engineering services is forthcoming and will appear on a future register. The expansion will add 120 spaces to accommodate Hancher sellout crowds, an addition Regent Barber attested was needed.

Hancher Auditorium and Music Complex -- Parking Lot Repairs

Source of Funds: Balances from Parking Operations \$180,500.00

The university requested approval of this project and approval of selection of the physical plant department to provide inspection supervision. The university reported that selection of an engineering firm to provide services is forthcoming and will appear on a future register.

The university noted that the surface of the facility constructed nine years ago has deteriorated due to weathering and wet subsoil conditions. Renovation will include removal of failed surface areas, stabilization of subbase, replacement of asphaltic concrete base, and overlay of the entire parking lot with asphaltic surface course.

Board discussion of the proposals presented by the university at the meeting concluded with the agreement that approval would be given subject to Board Office review.

MOTION:

Dr. Harris moved the board approve the Register of Capital Improvement Business Transactions for May 1979; ratify award of construction contracts made by the board's executive secretary; approve the construction contracts recommended for award; approve the revised project budgets as shown; approve the new projects; ratify award of consultants contracts services; approve a design agreement between the board and Iowa Department of Transportation, Highway Division, for Hancher Auditorium and Music Complex Road Reconstruction and approve selection of Shive-Hattery and Associates for full engineering services on the project; approve transactions on Field House -- Remodel Swimming Pool, and Hancher Auditorium and Music Complex -- Parking Lot Expansion and Repairs pending Board Office review; and authorize the executive secretary to sign all necessary documents. Mrs. Belin seconded the motion, and it passed unanimously.

PROPOSED BUDGET REVISION: UNIVERSITY DORMITORY SYSTEM, FY 1978-1979. The Board Office recommended approval of a \$157,920 increase in operating expenses for the annual budget for 1978-1979 of the dormitory system.

The Board Office noted that the dormitory bonding resolution requires board action on modifications to operating budget ceilings. The university reported that the dormitory system has experienced an increase in board income and vending machine sales which, in turn, has necessitated larger expenditures for food and goods sold than anticipated in the original budget. While payroll and utility cost estimates have declined slightly, the university said the decline has been more than offset by higher than anticipated maintenance costs.

According to the university, mid-year estimates of income and expense have changed with revised estimates of income up 1.0 percent over mid-year, while expense estimates are up 1.9 percent. For the year, income is 1.4 percent higher than the original 1978-1979 budget and expense is 1.7 percent higher. Overall, then, current budget plans adhere closely to original budget plans in the aggregate. Estimates of net revenue available for reserve funds was originally estimated at 6 percent of total revenues and currently are estimated at 5.8 percent.

MOTION: Dr. Harris moved the board approve an increase in operating expense of \$157,920 for the University Dormitory System for 1978-1979. Mrs. Belin seconded the motion, and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of Iowa. President Boyd presented the board with information on two matters impacting the University of Iowa Hospitals: proposed federal regulations to implement Section 223 of the Social Security Amendments of 1972 and the administration's "Hospital Cost Containment Act of 1979."

PROPOSED FEDERAL REGULATIONS TO IMPLEMENT SECTION 223 OF THE SOCIAL SECURITY AMENDMENTS OF 1972. President Boyd noted that if the currently proposed regulations for Section 223 of the Social Security Amendments of 1972 are enacted, University of Iowa Hospitals will lose nearly \$3.8 million in reimbursements as a result of a fundamental shortcoming in the present classification system. The classification recognizes hospitals with more than 684 beds as a special category rendering more complex services and provides a higher limitation (\$161.30 per day) for them than for smaller hospitals. For rural areas, however, the classification lumps all hospitals with more than 169 beds into one category, regardless of size and service level, and imposes a cost limitation of \$95.47 per day. As a tertiary-care center, University of Iowa Hospitals has actual routine operating costs that significantly exceed this proposed limitation, according to President Boyd.

In a letter to the Administrator of the Health Care Financing Administration of the Department of Health, Education, and Welfare, John Colloton, Director of University Hospitals, proposed a modification in the classification system for the nation's only two rural hospitals over 684 beds--the University of Virginia Hospital and the University of Iowa Hospitals and Clinics. Director Colloton requested that the large size in these two

be considered as a proxy for case mix as it is for large urban hospitals, because both institutions share common characteristics with such hospitals and few characteristics with the smaller rural hospitals. He noted that the modification was not requested based on proximity to Standard Metropolitan Statistical Areas but based solely on bed size. Both the University of Iowa Hospitals and Clinics and the University of Virginia Hospital are among the lowest in per admission costs of all university-owned teaching hospitals, according to Director Colloton; yet both institutions will stand to lose nearly 4 million in reimbursement in 1979-1980 under the current classification.

President Boyd commented that letters have been sent to federal officials and members of the Congressional Delegation protesting the unfairness of the restrictions. He said he had also made a recent trip to Washington, D.C. to meet with Mr. Joseph Onek of the President's Domestic Council, and is planning another visit soon to communicate the hospital's concern.

HOSPITAL COST CONTAINMENT ACT OF 1979. President Boyd also presented the board with copies of correspondence from Director Colloton to federal officials and Congressional representatives on the Administration's "Hospital Cost Containment Act of 1979."

Introduced as H.R. 1616 and S. 570, the Act imposes a 9.7 percent cap on hospital expenditures and contains retroactive provisions that create a 5.25 percent limit on revenue increases when past increases exceed a bill-defined norm. The norm, based on an averaging formula of aggregate expenditures going back to 1975-1976, gives no recognition to increased volume of services rendered during the three-year period. During the past three years, Director Colloton reported that the University of Iowa Hospitals increased greatly the number of patients served and opened two new major replacement additions. Total expenses associated with both would trigger the retroactive provisions in the proposed law, would impose a 5.25 percent increase for 1980, and would result in a total loss of revenue of \$3.3 million.

Director Colloton suggested that legislators defeat the Containment Act and support instead the Talmadge Bill (S. 505), which delegates controls to state rate review agencies and includes appropriate cost curtailment incentives to hospitals which recognize the unique features and cost curtailment achievements of individual hospitals.

Regents expressed concern with proposed legislation which would negatively affect University of Iowa Hospitals and Clinics. President Boyd commented that the institution has encountered problems in trying to find out who makes decisions about such federal designations-- the Domestic Policy Council or the Department of Health, Education, and Welfare. He said he is returning to Washington again to seek recognition of the SUI Hospitals as a teaching institution. President Petersen asked President Boyd to keep the board informed.

LAW ENFORCEMENT ACADEMY. President Boyd also reported to the board that there is no longer a representative from a Regents' university appointed to the Law Enforcement Academy and suggested that the board ask the Governor to appoint a Regents' representative.

President Petersen recommended that Richard Holcomb, Director of the Bureau of Police Science at the University of Iowa, be suggested for this appointment. President Boyd noted that Josephine Gittler, Professor in the College of Law, would also be an appropriate representative. Executive Secretary Richey suggested that the board submit both names to provide a choice and that the recommendations be forwarded immediately since the appointment may be forthcoming soon.

MOTION:

Mr. Wenstrand moved the board submit the names of Richard Holcolmb and Josephine Gittler to the Governor as possible appointments to the Law Enforcement Academy. Mr. Barber seconded the motion, and it passed unanimously.

Mr. Henry reported that he had followed the Law Enforcement Academy legislation and observed that lawmakers had no understanding of the problem. He said he did not believe that the Governor had received the Regents' message of concern about the exclusion of a Regent representative. Mr. Richey said the Board Office is continuing to work on the problem.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, May 17, 1979.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for April 1979 were ratified by the board.

BUDGET CEILING INCREASE - GENERAL UNIVERSITY - 1978-1979. The Board Office recommended the board defer the proposed budget increase of \$479,000 for fuel and purchased electricity and approve the proposed budget increase of \$400,000 to \$87,153,000.

The Board Office noted that the institution proposed a budget ceiling increase totaling \$879,000, with additions in the following categories of funds:

Student Fee Income	\$200,000	Although FTE enrollment is 705 lower than originally estimated, income is estimated to be higher than estimated originally.
Other Income	200,000	An increase in contract activity and approval of higher provisional indirect cost rates by the federal government should result in a \$200,000 increase.
Appropriations	479,000	The institutional proposal of \$479,000 is based on its proportionate share of the \$550,000 deficit appropriation for fuel and purchased electricity.
Total Proposed	<u>\$879,000</u>	

The Board Office noted that its decision to recommend deferral of the portion of the budget ceiling increase related to appropriation of fuel and purchased electricity is based on the fact that estimated deficits and surpluses at other institutions have changed since the March report to the board and that additional changes are expected when air conditioning charges are included.

Expenditures Proposed. The institution is proposing to spend \$200,000 for supplies and services and \$200,000 for equipment, both of which have posed serious budget problems for the institution.

The Board Office noted that Regents' institutions have a responsibility to estimate income at the highest level consistent with earning expectations, because underestimated institutional income may be perceived by external reviewers as causing unnecessary appropriations increases

MOTION:

Dr. Harris moved the board defer the proposed budget increase of \$479,000 for fuel and purchased electricity and approve a budget increase of \$400,000 to \$87,153,000.  
Mr. Wenstrand seconded the motion, and it passed unanimously.

PRELIMINARY OPERATING BUDGETS, 1979-1980. The Board Office recommended approval of preliminary budgets submitted by the university in the amounts of \$95,019,000 for the general university; \$10,657,000 for the experiment station; and \$11,788,000 for the cooperative extension service, as well as approval of proposed health insurance rates for faculty and professional and scientific staff.

The Board Office discussion highlighted elements of the university's proposed preliminary operating budget for 1979-1980 by appropriation unit.

General University

Income. The estimated total institutional income of \$24,323,000, an increase of 6.6 percent over that originally budgeted in 1978-1979, consists of:

Student Fee Income	\$21,630,000	Additional enrollment income is \$277,000 of this total
Federal Funds	247,000	
Sales and Services	849,000	
Other Income	1,597,000	A \$100,000 increase based on additional estimated reimbursed indirect costs
Total	<u>\$24,323,000</u>	

Expenditures. Institutional proposals for various expenditure categories include the following increases:

Faculty Salaries	\$79,000	Funded from salary savings
Professional and Scientific Staff Salaries	50,000	Funded from additional institutional income.
General Service Staff Salaries	50,000	Funded from additional institutional income.
Supplies and Services	207,000	Funded from additional institutional income.
Student Aid	100,000	Funded from essential program adjustments.
Waste Chemical Handling	10,975	
Additional Faculty and Institutional Positions	300,000	Funded from enrollment increases

The Board Office noted that funds for health insurance rate increases are assumed to be in the appropriation bill for employees at cost up to 11 percent increase and \$3.75 per month increase in contribution for family coverage. Calculations of the weighted average cost increase using the institutional figures for the number of enrollees shows an increase of 5.8 percent, which is well within the 11 percent figure, according to the Board Office.

Program Change. The university reports that the major consideration regarding program changes relates to the continual shift in level of program throughout the instructional departments as enrollments shift. Faculty changes to accommodate enrollment shifts are accomplished largely through faculty terminations due to retirement or resignations, at which time positions are shifted to those areas where staffing needs are the greatest.

A program approved last fall for the 1979-1981 budget would utilize added contract funds provided by other states sending contract

students to Iowa State University only for Veterinary Medicine College. This would provide \$450,000. The university is proposing to ~~replace~~ these funds in a restricted account and use them to support a portion of the existing capitation grant funding (\$179,466), to provide faculty and professional salary adjustments (\$231,523) and new positions (\$39,011). The university also proposes to adjust salaries from contract funds for selected veterinarians because of strong national competition.

Issues. The Board Office noted that the preliminary budget does not include funds to replace the expected \$60,000 loss of capitation grants pending legislative action.

According to the institution, faculty workload has increased markedly and the teaching hospital is ranked last among 26 Colleges of Veterinary Medicine in terms of size of support staff, current expense, and equipment.

#### Agriculture and Home Economics Experiment Station

Income. A preliminary budget of \$10,657,000 for 1979-1980 is proposed to be funded by \$2,558,000 of institutional income (\$2,431,000 of federal appropriations and \$127,000 sales and services) and \$8,099,000 of appropriations. Since the exact allocation of federal funds is unknown, the institution estimate is the same as in 1978-1979.

Expenditures. No changes are proposed for nonpersonnel items; a slight shift among salary categories are proposed to reflect fringe benefit costs and salary lapses more accurately.

Program Change. New areas currently under review involve animal health research programs and alcohol fuel research.

Issues. Main concerns relate to the final legislative deliberations in Congress, the allocation of research funds, and the impact on the experiment station budget and the staff which is shared with the general university.

#### Cooperative Extension Service in Agriculture and Home Economics

Income. The university is proposing that the preliminary budget of \$11,788,000 for 1979-1980 be funded by \$4,231,000 of institutional income and \$7,557,000 in appropriations. Institutional income consists of federal funds under the the Smith-Lever Program (estimated to be increased by \$104,000 over 1978-1979) now under consideration in Congress for 1979-1980.

Expenditures. The proposed preliminary budget sets forth expenditures in accordance with amounts calculated for the appropriations. The \$139,000 increase for supplies and services results in a 10.1 percent increase, about half of which relates to the increase in travel allowance from 15 to 18 cents per mile.

Program Change. Program changes relate to continuing responsiveness to needs for services throughout the state and coordination with university extension within the general university.

Issues. Anticipated federal funding under consideration in Congress and its impact on the cooperative extension service is a significant issue.

MOTION:

Dr. Harris moved the board approve the preliminary budgets submitted by the institution in the amounts of \$95,019,000 for the general university, \$10,657,000 for the experiment station, and \$11,788,000 for the cooperative extension service contingent upon passage of the Omnibus Education Bill for Education and the State Salary Bill and approve proposed rates for health insurance for faculty and professional and scientific staff. Mr. Wenstrand seconded the motion, and it passed unanimously.

SEPARATION OF THE DEPARTMENT OF BOTANY AND PLANT PATHOLOGY INTO THE DEPARTMENT OF BOTANY AND THE DEPARTMENT OF PLANT PATHOLOGY, SEED AND WEED SCIENCES. The Board Office recommended referral of the separation of the Department of Botany and Plant Pathology into the Department of Botany in the College of Sciences and Humanities and a department of Plant Pathology, Seed and Weed Sciences in the College of Agriculture to the Interinstitutional Committee for Educational Coordination and the Board Office for review and recommendation.

The Board Office noted that the university is requesting the division of the Department of Botany and Plant Pathology into two departments to be effective July 1, 1979. The institution reported that the department has been operating as though two departments existed because of great differences in programs of work. The department has been jointly administered by the two colleges, with teaching and research budgets for Botany in the College of Sciences and Humanities and budgets for teaching, research, and extension in the College of Agriculture for programs in Plant Pathology, Seed and Weed Sciences.

The university reports that separation can be accomplished without disrupting programs or adding costs, since there is little overlap in current functioning of the two branches of the department. Both departments will continue to share laboratory facilities and space for graduate assistants will be divided on a pro rata scale.

The university noted other benefits:

- The name change will provide greater visibility to the programs in Seed Science and Weed Science.
- Three areas of great importance to crop production in Iowa will be placed fully in the College of Agriculture.
- Administrative coordination within the College of Agriculture for teaching, research, and extension in Plant Pathology, Seed and Weed Sciences will be simplified and strengthened.
- The division will allow greater emphasis upon the teaching and research missions of the Botany program within the College of Sciences and Humanities. The chairman will be able to devote his efforts more intensively upon curricula in Botany, to develop the basic research emphases uniquely appropriate to a botany department, and to coordinate activities with the other biological science departments and the general Biology Program within the College of Sciences and Humanities.

The university reported that the faculty, as well as the deans of both colleges, support the separation strongly.

The Board Office recommended that the Interinstitutional Committee give special consideration to the programmatic implications of this change, i.e., will any new academic programs result?

Vice President Christensen commented that although Iowa State University had no objection to the review, such organizational changes are not usually referred to the committee. President Parks noted that when departments are separated the review process is not invoked and that this referral will "plow new ground." President Petersen disagreed and said that the division in the University of Iowa Business Administration Department had been referred and, further, that some matters are more routine than others. Executive Secretary Richey noted that the university had included no financial information with its request and that the matter should be deferred until cost and budget information are supplied to the Board Office or, if referred to the Interinstitutional Committee, such data could be reviewed by them. He added that other universities have some work in this area, a fact which supports the need for an interinstitutional review.

MOTION:

Mrs. Belin moved the separation of the Department of Botany and Plant Pathology into the Department of Botany in the College of Sciences and Humanities and a department of Plant Pathology into the Department of Plant Pathology, Seed and Weed Sciences in the College of Agriculture be referred to the Interinstitutional Committee for Education Coordination and the Board Office for review. Mr. Shaw seconded the motion, and it passed unanimously.

IOWA STATE UNIVERSITY 1979 CALENDAR. The Board Office moved the board approve the request of Iowa State University to close on December 31, 1979.

The Board Office noted that the 1979 calendar for the university provides for nine designated holidays in addition to the two personal days which accrue as vacation for each employee. This request is to shut down for one additional day, Monday, December 31, 1979, to effect fuel and utility savings and to permit a four-day weekend. The university request states that:

By closing the university on this day, employees will be expected to utilize one of their two personal holidays, vacation, leave without pay, or make arrangements with their supervisor to schedule compensatory time during the December pay periods if operational needs of the area permit...

The Board Office noted that the collective bargaining agreement with the Blue Collar, the Technical, and the Security Units state that "vacations shall be granted at times and in amounts most desired by employees whenever operations permit..." and that "every attempt will be made to grant employees vacation at the time requested..."

The Board Office expressed the opinion ~~that~~ an employee could not be required to take a vacation day or a personal holiday on December 31 but that one day's pay could be deducted from each employee's salary unless the employee chose to use accrued vacation, personal leave, or compensatory time. According to the Board Office, the matter has been discussed and endorsed by various employee councils within the university.

MOTION:

Mr. Slife moved the board approve the request of Iowa State University to close on December 31, 1979. to effect fuel and utility savings and permit a four-day week-end. Mr. Brownlee seconded the motion, and it passed unanimously.

LEASE RENEWAL FOR COUNCIL BLUFFS AND OTTUMWA AREA EXTENSION OFFICES. The Board Office recommended the board approve the lease agreements for Area Extension Offices in Council Bluffs and Ottumwa.

The university noted details about the two lease agreements:

Council Bluffs. The Council Bluffs Area Extension Office has been in its present location at 2 Northcrest Drive since July 1, 1969. The present five-year lease provides for 3200 square feet of space at \$2.62 per square foot; the proposed five-year lease with Home Investment Ltd. provides for the same space and services for \$3.50 per square foot. Since there was only a minimal rent increase at the last renewal, the university judges the rent increase reasonable. Rent includes ample parking. Snow removal, janitor service and utilities are furnished by the Regents. According to the university, comparable office space in Council Bluffs rents from \$5.50 to \$6.40 per square foot.

Ottumwa. The Ottumwa Area Extension Office has been in its present location on the second floor of the Terminal Building of the Ottumwa Industrial Airport, Ottumwa, Iowa, since July 1, 1959. The present five-year lease provides for 2219 square feet of space at \$1.80 per square foot and will expire June 30, 1979. At the time of last renewal on July 1, 1974, 539 square feet of space was added and net rent per square foot was decreased 10 cents.

The proposed five-year lease with the Ottumwa Airport Commission provides for 2904 square feet of office space and use of 773 square feet of meeting room for \$2.20 per square foot. Since there has been no increase in rent for the last ten years, the university believes the rent increase is reasonable. Rent includes ample parking, snow removal, janitor service, water, heat, and air conditioning, with electricity paid by the Regents. The university reports that the landlord is completing renovations with no additional cost to the Regents. Other comparable office space in the Ottumwa area rents for \$4.00 to \$4.50 per square foot.

MOTION:

Regent Bailey moved the board approve five-year lease agreements for Area Extension Offices: in Council Bluffs (2 Northcrest Drive) for 3200 square feet at \$3.50 per square foot; and in Ottumwa (second floor of the Terminal Building of the Ottumwa Industrial Airport) for 2904 square feet of office space and 773 square feet of meeting room at \$2.20 per square foot. Regent Belin seconded the motion and, after due consideration by the board, the president put the question. Upon roll being called, the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.

NAY: None.

Whereupon the president declared the motion duly adopted.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR PERIOD OF APRIL 20 THROUGH MAY 18, 1979. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of April 20 through May 18, 1979, had been received by him, was in order, and recommended approval.

The following construction contract awarded by the executive secretary was recommended for ratification:

State Gym -- Partial Roof Replacement

Award to: Nieman Roofing Co., Inc., New Prague, Minnesota \$14,848.00

The university is also submitting a detailed project budget showing the contract award at the amount originally approved for the project of \$20,000. The project is funded from RR&A.

The following revised or amended project budgets were submitted by the university:

Design Center -- Parking Lot

The university reported that because of collective bargaining agreements prohibiting increases in parking permit rates, the university must revise its source of funds on this project from Parking System Income -- \$100,000; to Overhead Reimbursement for Use of Facilities -- \$100,000. The project has been completed, but parking system income is not sufficient to fund capital costs related to parking facilities; therefore, the switch in funds.

Utilities -- Electrostatic Precipitator Additions

The university is submitting a revised description and budget on this project providing for installation of electrostatic precipitators for steam generators #3 and #4. The university noted that the project, which was increased from 1977 bond funds to provide an extension of the breeching from steam generators #5 and #6 to electrostatic precipitator unit #4 and to the new stack, is now further expanded by installation of booster fans on the roof of the heating plant downstream from the mechanical dust collectors. This expansion will allow steam generators #5 and #6 to be operated at full load and will allow removal from service of the old stack.

The Board Office noted that Brown Engineering estimates the cost of the addition to be \$427,000. Balances in the project can accommodate \$200,000 of this cost, but the budget needs to be increased by \$227,000 funded from anticipated balances in the Utilities -- Chilled Water System Additions project, also undertaken with 1977 academic revenue bond funds. Total project budget is then reestablished at \$3,080,000.

The Board Office noted that the board was informed at its February meeting on anticipated savings in the chiller project of \$500,000; savings now appear to be about \$700,000.

Four new project budgets and descriptions were presented for approval:

Morrill Hall -- Roof Replacement

Source of Funds: RR&A \$35,000.00

Friley Hall Renovation -- Phase II

Source of Funds: Dormitory System Surplus \$700,000.00

The Board Office noted that Phase I of this project rehabilitated the five floors in the north wing of the complex at a cost of \$640,000, which included about \$80,000 for installation of and complete updating of the fire alarm system throughout the Friley Hall complex.

Phase II will continue those improvements into the next unit to the south, which involves approximately 77 rooms on five floors. The project will also provide student rooms for the handicapped and a new entrance ramp and elevator modifications for handicapped accessibility, according to the Board Office. An amendment to the existing owner/architect agreement on Phase I with Brooks, Borg and Skils, Des Moines, project architects, will be presented for board approval at a later meeting.

Curtiss Hall -- Roof Replacement

Source of Funds: RR&A \$100,000.00

Printing and Publications Building Addition

Source of Funds: Facilities Endowment Fund \$400,000.00

The university reports that this project will construct an addition of approximately 12,000 square feet to provide additional storage space for printing and publications. The university noted it intends to negotiate for architectural services in the near future and will return to the board for contract approval or ratification, depending on the dollar amount of the agreement.

MOTION:

Mr. Barber moved the board approve the Register of Capital Improvement Business Transactions for the period of April 20 through May 18, 1979; ratify award of a construction contract made by the board's executive secretary; approve project budgets; approve the revised source of funding; approve a revised project description; approve the new projects; and authorize the executive secretary to sign all necessary documents. Mr. Brownlee seconded the motion, and it passed unanimously.

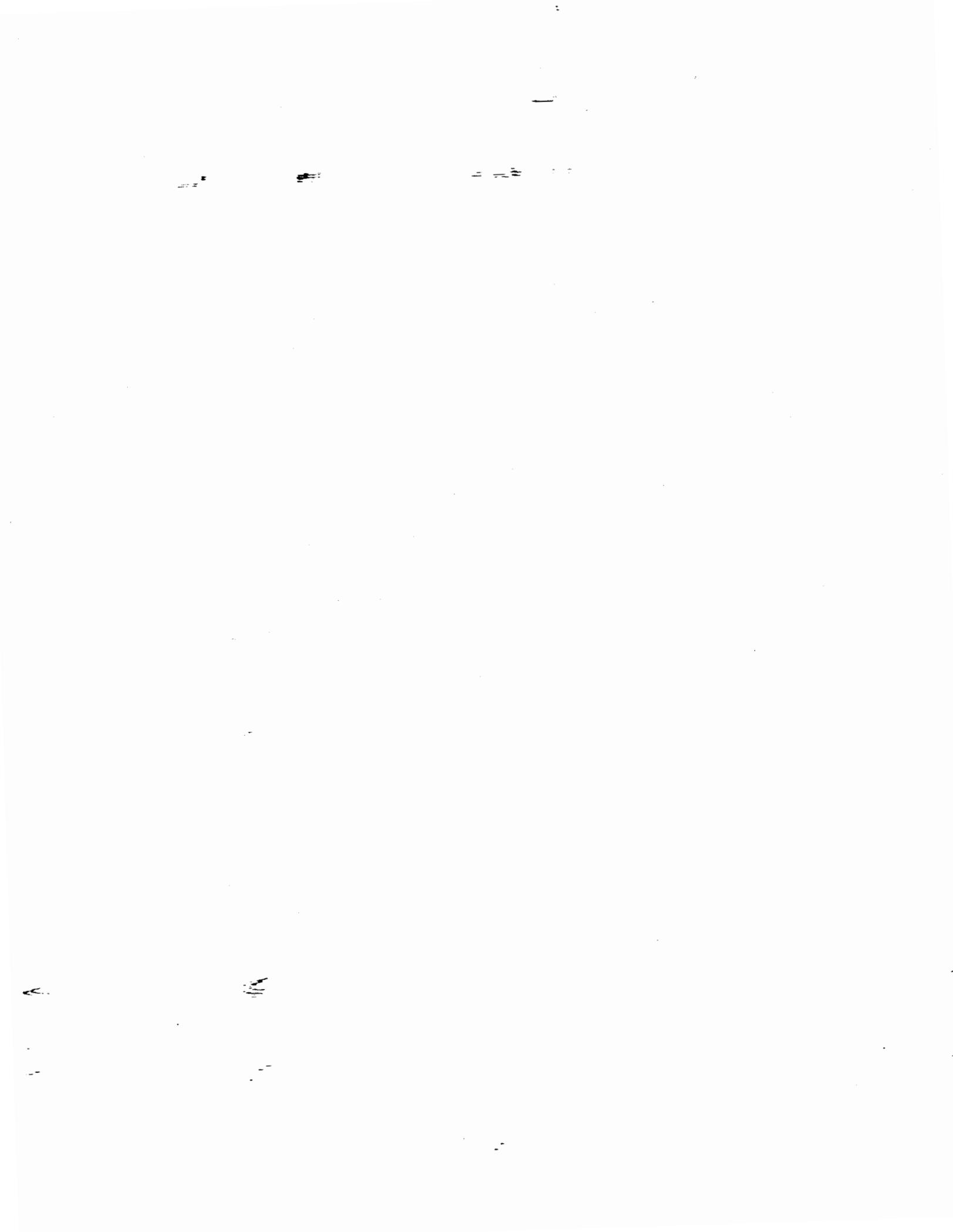
PUBLIC HEARING ON ACADEMIC REVENUE BOND FUNDED PROJECT. President Petersen called the meeting to order at 1:30 p.m., Central Daylight Savings Time, on May 17, 1979, on the campus of Iowa State University, Ames, Iowa. The roll being called, there were present Mrs. H. Rand Petersen, president, in the chair, and the following named board members: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand.

The president then stated that this was the date, time and place set for a hearing on the proposed plans and specifications and proposed form of contract for Utilities -- Steam Tunnel Improvements on the campus of Iowa State University, Ames, Iowa.

President Petersen asked whether anyone present wished to register objections concerning either the proposed plans and specifications or the proposed form of contract. No objections were filed.

The president then inquired whether the executive secretary had received any written objections to the project. The executive secretary stated that he had not received any such objections. There being no objections, the president declared the public hearing closed.

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



UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, May 17, 1979.

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

PRELIMINARY OPERATING BUDGET, 1979-1980. The Board Office recommended that the proposed budget of \$36,390,000 for 1979-1980 be approved contingent upon passage of the Omnibus Education Bill for Education and the State Salary Bill.

The Board Office highlighted elements of the university's proposed preliminary operating budget for 1979-1980:

Enrollment

Estimates of FTE and fall headcount enrollment remain unchanged from figures submitted last fall during preparation of the budget request for both 1978-1979 and 1979-1980. The enrollment increase estimated by the university for 1979-1980 is 142 FTE students for a total of 9,830 or an additional 141 headcount to 10,596 for fall 1979.

Income

Total institutional income for 1979-1980 is estimated to be \$7,616,000, with \$7,006,000 from student fees and \$610,000 from other income. The Board Office noted that the student fee income may be understated somewhat and should be reviewed after fall enrollment and more accurate income figures are available. The \$610,000 from other income is identical to that estimated for 1978-1979.

Expenditure

The institution proposes to spend funds in each expense category within a few thousand dollars of the amounts calculated for the appropriations as evident when the allocations of essential program adjustments and tuition income from the increased enrollments are deducted from each of the budget categories. Appropriations of \$407,000 for essential program adjustments are proposed to be spent according to the ~~B~~udget request:

General service staff (boiler operators)	\$196,000
Fuel and purchased electricity	86,000
Supplies and services (in connection with operation of the new boiler plant)	75,000
Student aid	50,000

Appropriations for enrollment increase costs are being allocated tentatively in the amount of about 79 percent to faculty and institutional officials and the remainder to general service staff and supplies and services.

Additional tuition income of \$101,000 from enrollment increase is proposed by the university to be spent:

Faculty institutional officials (faculty research grants to comply with recently approved faculty contract)	\$13,000
Professional and scientific staff (additional staff member to student services staff to process anticipated larger number of applicants for student aid)	15,000
General service staff (minimum wage increase to \$2.90)	22,000
Supplies and services (restore base to initial budget level for 1978-1979 and several miscellaneous items)	51,000

Program Change

No significant changes in programs or expansion of programs is proposed by the university other than the opening of the new boiler plant.

Vice President Stansbury noted that the university is not requesting a budget ceiling increase because it has a shortfall in tuition income. He said the trend in additional enrollment of part-time students at UNI continues and that next year the university estimate will be more accurate. Mr. Stansbury also pointed out that the legislature had restored three boiler operator positions not included in the Governor's recommendation to the UNI appropriations and these will be affirmed in the line item budget.

MOTION:

Mr. Slife moved the board approve the proposed budget of \$36,390,000 for 1979-1980 for the University of Northern Iowa contingent upon passage of the Omnibus Education Bill for Education and the State Salary Bill. Mr. Shaw seconded the motion, and it passed unanimously.

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

John E. Bernthal, Associate Professor and Head, Department of Speech Pathology and Audiology, with tenure, effective August 27, 1979, at a salary of \$25,750.00.

MOTION:

Dr. Harris moved the board approve the appointment of John E. Bernthal, Associate Professor and Head, Department of Speech Pathology and Audiology, with tenure, effective August 27, 1979. Regent Wenstrand seconded the motion, and it passed unanimously.

PROPOSED CURRICULAR CHANGES FOR 1979-1980. The Board Office recommended the board refer proposals for new programs, new courses, and dropped programs and courses at the university for the coming year to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office noted that in its curriculum changes, the university is proposing a new Doctor of Education Degree, two new majors for the Master of Arts Degree (a major in General Psychology and a major in two languages) as well as a new major in Conducting--Master of Music Degree. The university is also proposing to drop several programs including the major in Religion, Teaching Program, and minor in Education of the Handicapped, Secondary Level.

The Regents will receive a complete report analysis of these changes, as well as the recommendations of the Interinstitutional Committee and the Board Office at a future board meeting.

MOTION: Regent Barber moved the board refer to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation the proposed curricular changes for 1979-1980 at the University of Northern Iowa. Regent Harris seconded the motion, and it passed unanimously.

President Petersen suggested that board members inform the committee if they have any questions about specific changes.

DOCTOR OF EDUCATION DEGREE. The Board Office recommended the board refer the proposal for a Doctor of Education Degree to the Interinstitutional Committee for Educational Coordination and the Board Office for review and recommendation.

President Petersen directed the board's attention to the separate bound material concerning the proposed doctorate. She commented that the review should be as careful and thorough as it was when the University of Northern Iowa presented its request for a Doctor of Industrial Technology Degree. Board members expressed varying opinions concerning the appropriateness of persons writing to influence board decisions on proposed programs. Regent Harris disagreed with efforts to discourage correspondence and said that as long as the institution is not encouraging letter writing, any Iowa has the right to express an opinion to Regents who represent him/her.

Regent Bailey suggested the Interinstitutional Committee not be rushed into a decision. Vice President Brodbeck, speaking for the Interinstitutional Committee, said it would give the proposal considered judgment and bring back a recommendation.

MOTION: Mr. Barber moved the board refer the proposed curricular changes for 1979-1980 at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Dr. Harris seconded the motion, and it passed unanimously.

PARIETAL RULE CHANGE, UNIVERSITY OF NORTHERN IOWA. The Board Office noted that, after discussion, the university and the Board Office have agreed to defer action on a proposed change in the parietal rule until the June board meeting. In the interim, the institution will provide additional information on the matter.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR PERIOD OF APRIL 6 TO MAY 4, 1979. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of April 6 to May 4, 1979, had been received by him, was in order, and recommended the following actions:

1. Reject two bids received on the Science Building--Replace Cooling Coils project and direct the work be accomplished by plant forces for an estimated cost of \$9,000.
2. Consider request for bid withdrawal on Price Laboratory School-- Elevator Renovations by Montgomery Elevator Company, Moline, Illinois.
3. Reject single combined bid on Bartlett and Lawther Halls--Exterior Repainting project and direct that the project be readvertised for rebidding on or about May 22, 1979.
4. Reallocate capital balances of \$6,000 in the West Campus Storm Sewer--Phase I project (a 1975 appropriation and allocation) and any balances in West Campus Storm Sewer--Phase II (a 1976 allocation) to a new project--West Campus/Hudson Road Overpass Extensions.
5. Approve the rest of the register.

The following construction contract awarded by the executive secretary was recommended for ratification:

Hillside Courts -- Renovation of Basement Entries

Award to: Wendell Lockard Construction Company, Inc., Waterloo,  
Iowa \$30,717.00

The Board Office noted two irregularities: a single bid was received and the single bidder failed to submit specified EEO information with the bid. The executive secretary waived the irregularities since (in the first instance) six firms were contacted and given plans and specifications, but only one bid was received by bidders' choice. The single bid was evaluated and was well within the established project budget, according to the Board Office. In the second instance, a certificate of reporting was submitted by the bidder prior to contract award; in addition, the bidder was already on file from previous contracts.

The following construction contracts were recommended for approval:

Reconstruction of Minnesota Street

Award recommended to: Grigg Construction Company, Hudson, Iowa \$48,834.75

The Board Office noted that the award was referred to the board because the project is to be funded from the 1979 State Parks and Institutional Roads program funds. The award requires Iowa Department of Transportation (IDOT) concurrence prior to initiation of construction. The award is within the budget of Institutional Road Program budget for the current year of \$65,000. IDOT has been asked to concur at its May 15, 1979, meeting.

Rider Hall -- Roof Repair

Award recommended to: Hamilton Insulation and Roofing, Inc.,  
Wesley, Iowa \$38,430.00

The Board Office noted that bids were received for this dormitory work on March 20, 1979; the bid holding period was extended to May 23. Since that bid opening, the Board Office reported, the university dormitory system has determined that funds are available to undertake these roof repairs at this time.

At the same bid opening, the university took bids on roofing projects for the Auditorium, Cultural Center, and Art II Building, with costs of those repairs totaling \$136,000. That amount is included in a line-item appropriation to the university in capital appropriations made by the 1979 Session of the Legislature. Bids have been extended until the first week in June by the two bidders, according to the university. Although the funds will not become available to the university until July 1 in the capital bill, an intent will be furnished the contractors so they may purchase materials as soon as possible. The intent will be given as soon as formal notification is received of action by the Governor on the capital appropriations bill. The Board Office noted that the university expects the contractors to then honor their bids until July 1.

#### Science Building -- Replace Cooling Coils

The Board Office noted that bids were taken on a portion of this project on April 26, with two bids received for \$21,700 and 22,300, respectively. The amount budgeted for the removal and installation of coils and equipment was \$7,000. The Board Office recommended rejection of the two bids and accomplishment by in-house trades of the work. University Plant Service personnel have submitted a cost of \$9,000 for this project, a sum which is substantially less than that bid by outside contractors.

#### Bartlett and Lawther Halls -- Exterior Repainting

The Board Office noted that bids on this project were received on April 24, 1979. Budgets approved by the board include \$42,000 for the Bartlett Hall contract and \$22,000 for the Lawther Hall contract for a total estimated contract of \$64,000.

The single bid received by the university was for \$109,756, an amount in excess of the initial project estimates; in addition, the bidder insisted on a longer completion time than the August 1, 1979, date allowed in the specifications. The university now reports that Bartlett Hall will not be available for painting this summer because it will be approximately 100 percent occupied, precluding the removal of screens and windows for painting, and is extending the completion period through the summer of 1980.

The Board Office recommended that the single bid received be rejected and that the project be readvertised and rebid, specifying a longer completion time on or about May 22, 1979. The university also is submitting revised project budgets on both projects--increasing the Lawther Hall budget to \$55,000, funded from Residence System Improvement Funds (as compared to \$26,500 originally budgeted), and increasing the Bartlett Hall project to \$68,000 (from the \$50,500 originally budgeted).

#### Price Laboratory School -- Elevator Renovations

Award recommended to: Montgomery Elevator Company, Moline, Illinois \$29,279.00  
or, IF BID IS WITHDRAWN, take action to forfeit the bid bond security of 5 percent of Montgomery Elevator Company (\$1,464) and award to second low bidder:  
Charles Mauser and Sons, Inc., Waterloo, Iowa \$38,841.00

The Board Office noted that four bids on this project (part of the handicapped accessibility program) were opened on May 3, 1979 and that all four were within budget. Since the bid opening, Montgomery Elevator Company, the low

bidder, stated by letter that it cannot accept this contract and requested bid bond return. The company indicated that it made a mistake in its bid and failed to include work which it understood would normally be done by a general contractor. Nothing submitted by Montgomery Elevator has given any reason to grant bid bond request, since three other bidders read the specifications correctly, according to the Board Office. The ultimate solution appears to be forfeiture of bid security and award of the contract to the second low bidder, although the Board Office noted that implementation of bid bond forfeiture requires offering the formal contract and then rejection of the offer.

Three new projects were recommended for approval:

Seerley Hall -- Convert Lecture Area into Offices  
Source of Funds: RR&A

\$14,000.00

The Board Office noted that this project will convert two adjacent classrooms into four single and one double faculty offices and is intended to relieve partially the congested conditions faced by the university business programs. A \$120,000 capital request to the legislature to convert studio theatre space in Sabin Hall into an office complex for the Department of Economics, a more permanent solution to crowded conditions, was not funded by the 1979 Legislature. Until such a major project is undertaken, according to the Board Office, the university will have to solve its space problems for business programs in a piecemeal fashion.

Rider Hall -- Roof Repairs

Source of Funds: Residence System Improvements

\$44,000.00

See earlier action on contract award on this project for which the board has not previously approved a budget. The Board Office noted that since funds are now available to enable award of contract, the university is requesting approval of project budget and description.

West Campus/Hudson Road Overpass Extensions

\$36,000.00

The Board Office reported that this project which involves construction of a walkway from the northeast corner of the UNI-Dome to the southeast corner of the Physical Education Building is intended to encourage pedestrian crossing of Hudson Road between 27th and 23rd Streets. The Board Office recommended that balances in both Phase I and Phase II of the West Campus Storm Sewer projects, \$6,000 and \$17,000 respectively, be transferred to this project. Approximately \$4,000 of the latter balance will be required to grade and seed the area this spring when the Iowa Department of Transportation (IDOT) completes the Hudson Road right-of way.

The Board Office reported that a third source of project funds will be the approximately \$10,218.75 balance remaining in the agreement with IDOT and the City of Cedar Falls for participation in the West Campus Storm Sewer project. The project will be completed utilizing RR&A funds, but those funds will be utilized after all other funding sources mentioned have been exhausted. The project, according to the Board Office, will clearly complete the West Campus Storm Sewer project, as well as the Hudson Road Overpass Extensions, in a manner consistent with university plans.

MOTION:

Regent Belin moved the board approve the Register of Capital Improvement Business Transactions for the period of April 6 to May 4, 1979; ratify award of construction contract made by the board's executive secretary; approve the construction contracts recommended for award; approve the new projects; reject bids received on the Science Building--Replace Cooling Coils project and direct the work be done with plant forces at an estimated cost of \$9,000; reject request of Montgomery Elevator Company, Moline, Illinois, for return of bid security on Price Laboratory School -- Elevator Renovations project; reject single combined bid received on the Bartlett and Lawther Halls--Exterior Repainting project, and direct the project be readvertised for rebidding on or about May 22, 1979; reallocate capital balance of \$6,000 in the West Campus Storm Sewer--Phase I project and any balance in West Campus Storm Sewer--Phase II to a new project, West Campus/Hudson Road Overpass Extensions; and authorize the executive secretary to sign all necessary documents. Regent Wenstrand seconded the motion, and it passed unanimously.

MOTOR VEHICLE AND BICYCLE REGULATIONS FOR 1979-1980. The Board Office recommended the board approve the motor vehicle and bicycle regulations proposed by the University of Northern Iowa for 1979-1980.

The Board Office noted two changes proposed by the university to its existing motor vehicle and bicycle regulations: the addition of a provision that handicapped persons desiring parking permits must first obtain a state handicapped identification permit from the Iowa Department of Transportation; and the increase in fines for numerous violations in an effort to deter their incidence.

MOTION:

Mrs. Belin moved the board approve the motor vehicle and bicycle regulations proposed by the University of Northern Iowa for 1979-1980. Mr. Brownlee seconded the motion, and it passed unanimously.

TENANT PROPERTY RENTALS: REVISED RATES, 1979-1980. The Board Office recommended the board approve an increase in rental fees on 10 of 15 university-owned residential properties.

The Board Office noted that long-range plans of the university call for removal of these residential structures and use of the resultant space in ways more directly related to university purposes. Meanwhile, the university rents these properties as single family dwellings, apartments, and garages, at rates which seek to be competitive. Proposed rate increases range between \$5 and \$15 per month, with percentage increase between four and six percent (see table of tenant property rentals with current and proposed rates following).

UNIVERSITY OF NORTHERN IOWA  
May 17, 1979

<u>Property</u>	<u>Present Monthly Rate</u>	<u>Proposed Monthly Rate</u>	<u>\$ Increase</u>	<u>% Increase</u>
1. Rownd Farmhouse J.J. Schurman	\$ 65.00	\$ 65.00	0	0
2. 1223 West 22nd Street David Burton	300.00	315.00	15.00	5
3. 2218 Campus Street Robert Kramer	170.00	180.00	10.00	6
4. 1227 West 23rd Street Terry Williams	170.00	180.00	10.00	6
5. 1227½ West 23rd Street Scott Zahren	135.00	140.00	5.00	4
6. Garage #1 - West 23rd Street Kenneth Feldman	7.50	7.50	0	0
7. Garage #2 - West 23rd Street Unoccupied	7.50	7.50	0	0
8. Garage #3 - West 23rd Street Unoccupied	7.50	7.50	0	0
9. Garage #4 - West 23rd Street Steven Tarr	7.50	7.50	0	0
10. 1215 West 22nd Street John Cadwell	155.00	165.00	10.00	6
11. 1221 West 23rd Street #1 Diane Cahalan	130.00	135.00	5.00	4
12. 1221 West 23rd Street #2 Thomas Rogers	130.00	135.00	5.00	4
13. 1221½ West 23rd Street #3 Joseph Teeling	130.00	135.00	5.00	4
14. 1221½ West 23rd Street #4 Pamela Slaymaker	130.00	135.00	5.00	4
15. Matland House - West 27th St. Kenneth Wiseman	170.00	180.00	10.00	6

MOTION:

Mr. Brownlee moved the board approve an increase in rental fees on 10 of 15 university-owned residential properties (listed on p. 683 ) located on the edges of the campus. Mrs. Belin seconded the motion and, after due consideration by the board, the president put the question. Upon roll being called, the following voted:  
AYE: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.  
NAY: None.  
Whereupon the president declared the motion duly adopted.

FARM LEASE, 1979. The Board Office recommended that 17.5 acres west of the UNI-Dome be leased for farming to Mr. Virgil Becker at a rental rate of \$100 per acre.

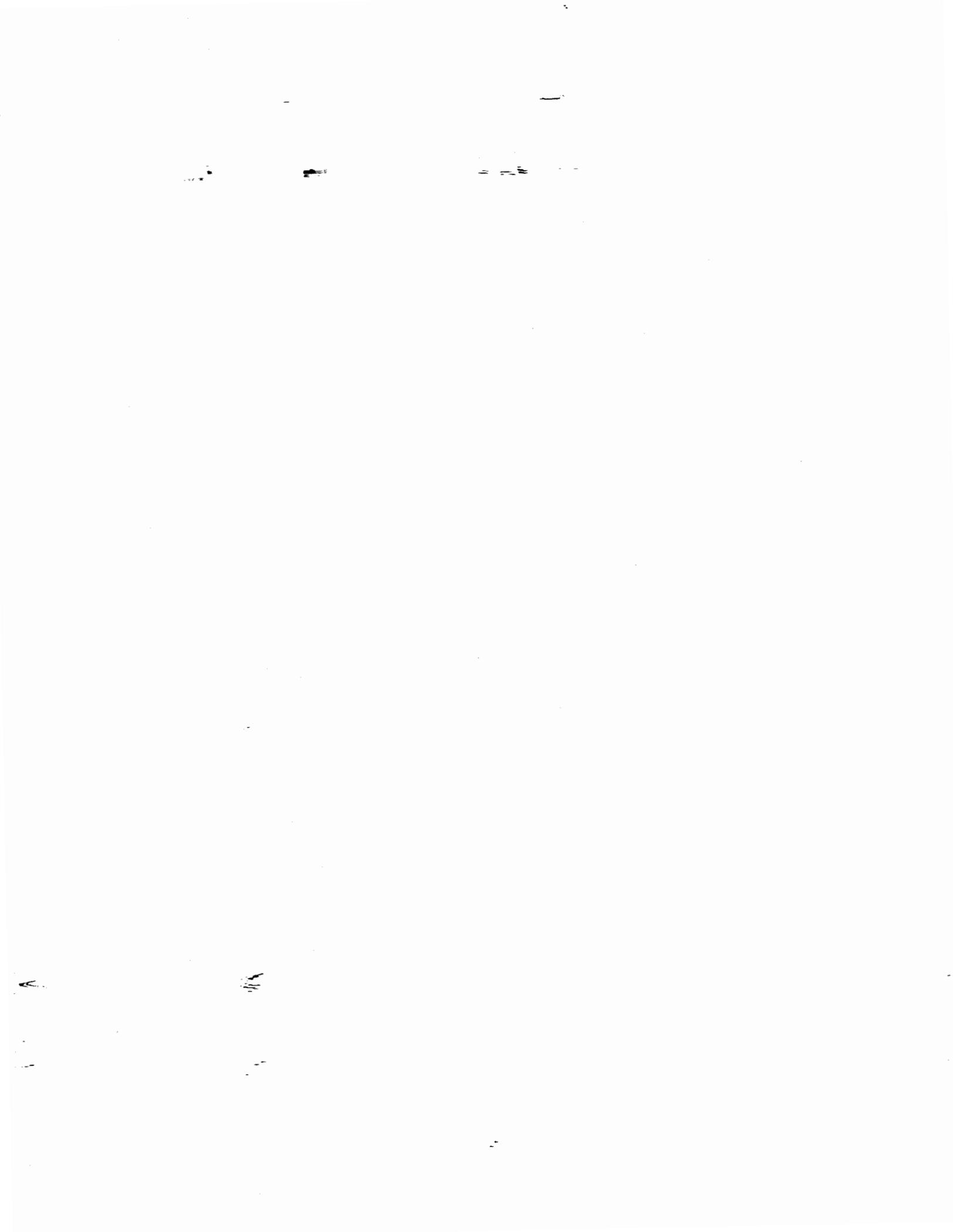
The Board Office noted that the land proposed for farm leasing is planned for use by the Department of Physical Education. According to the university, only part of the land can be used by the department this year; hence, the balance is available for short-term revenue generation. By leasing the land, the university reports its maintenance costs can be covered. Rental will produce \$10 per acre more than last year.

The Board Office also noted that Mr. Becker has leased a substantial portion of the farm land available from the university and this proposal continues the satisfactory business relationship between the two parties.

MOTION:

Mr. Brownlee moved the board approve the lease of 17.5 acres (properly marked) at the southern end of a plot of 29.36 acres, described as the tillable land in the East 40 acres of the West 60 acres of SW  $\frac{1}{4}$  of Section 14, Township 89N, Range 14W of 5th P.M. Black Hawk County, Iowa, to Mr. Virgil Becker at a rate of \$100 per acre. Mrs. Belin seconded the motion and, after due consideration by the board, the president put the question. Upon roll being called, the following voted:  
AYE: Bailey, Barber, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.  
NAY: None.  
Whereupon the president declared the motion duly adopted.

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



IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, May 17, 1979.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of April 1979 were ratified by the board.

BUDGET CEILING REVISION, 1978-1979, AND PRELIMINARY OPERATING BUDGET, 1979-1980. The Board Office recommended that the board:

- Approve a budget ceiling increase of \$65,000 to \$3,499,000 for 1978-1979.
- Approve a proposed budget of \$3,711,000 for 1979-1980, subject to approval of the Omnibus Appropriation Bill for Education and the State Salary Bill.
- Consider authorization at the June meeting for continuation in 1979-1980 of a Child Study Center and for employment of a director for the center.

Budget Ceiling Increase

The Board Office noted that the budget ceiling increase of \$65,000 includes:

1. Additional institutional income of \$49,000 from five sources:

Federal funds for food	\$ 2,000
Interest income	29,000
Farm crops from 1977-1978 sold in 1978-1979	6,500
Food sales to employees at a higher price	4,600
Nonrecurring sales of equipment and scrap	7,100
2. Appropriations of \$16,000 withheld because the amount was estimated to be unneeded for health insurance premiums. Last fall a calculation indicated that \$7,000 of the \$16,000 is needed for health insurance premiums.

The institution proposes to spend the \$49,000 of institutional income for building repairs and the balance of the \$16,000 for roof replacement and repair, correction of fire safety deficiencies, and handicapped accessibility projects.

Superintendent Giangreco said that the additional funds will be used to complete necessary projects.

The Board Office noted that Regents' institutions have a continuing responsibility to estimate institutional income at the highest level consistent with reliable earning expectations. This responsibility is closely related to the appropriation process where underestimated income may be perceived by external reviewers as causing unnecessary increases in appropriations.

Preliminary Budget for 1979-1980.

Income. A preliminary budget of \$3,711,000 for 1979-1980 is being proposed by the school to be funded by \$160,000 of institutional income and \$3,551,000 of appropriations. A summary of institutional income as budgeted for 1978-1979, as proposed for budget ceiling revisions, and as proposed for 1979-1980 was listed by the Board Office:

<u>Institutional Income (000s omitted)</u>	<u>Federal Funds</u>	<u>Sales &amp; Services</u>	<u>Other Income</u>	<u>Total</u>
Original Budget - 1978-1979	\$91	\$30	\$12	\$133
Budget Ceiling Adjustment	2	18	29	49
Proposed Budget Ceiling - 1978-1979	93	48	41	182
Adjustments for 1979-1980	1	(26)	3	(22)
Proposed Budget - 1979-1980	94	22	44	160
% Increase over Original 1978-1979 Budget	3.3%	(26.7%)	267%	20.3%

The Board Office noted that about \$14,000 of sales and services during 1978-1979 are nonrecurring (see discussion on budget ceiling increase, p. 685 ). Exclusion of these items from 1979-1980 yields an estimate for sales and services for 1979-1980 of about \$34,000, some \$12,000 above the institutional proposal. However, farm crops are not yet planted and the \$12,000 farm income may not be fully realized.

According to the Board Office, estimates of the other components of institutional income do not appear to be understated and the total, an increase of 20 percent over the original 1978-1979 budget, represents a substantial increase. The Board Office suggested that although the institutional income proposed by the institution is appropriate at this time for the 1978-1979 budget, the matter should be reconsidered when income estimates are more accurate during the year.

Expenditures. The institution is proposing expenditures in accordance with the calculations for appropriations for fuel and purchased electricity, supplies and services, equipment, library books, and building repairs. The unneeded employers' contribution to unemployment insurance is reduced in the salary items.

Program Change. The Board Office noted that the institution is proposing to have Glenwood School provide laundry services at an annual cost of about \$32,500. Institutional costs for laundry operation currently amount to about \$47,500. The \$15,000 savings during 1979-1980 would be needed to purchase a van and pay for a driver and other labor costs; savings of about \$10,000 should be realized thereafter.

Issues. The Board Office noted that some reallocations among the expenditure categories are required to fund the faculty salary pay plan. A Title I budget is not ready at this time. The school is expecting funding to be at about the 1978-1979 level (\$236,815) during the next two years based on a slight increase in funding for the state offset by some reduction in enrollment and the formula funds related thereto. The funding formula methodology will be changed after the 1979-1981 biennium.

The Board Office noted that it received information from the school in April 1979 that a Child Study Center had been established under Title I funds

at the beginning of 1978-1979. Since Board Office records do not show any evidence of the program or of recommendations for its establishment in the Board of Regents' Evaluation Report, the school has been asked to submit data on the academic role and fiscal implications of the program for Regents' approval prior to final budget preparations for the June meeting.

MOTION:

Regent Barber moved that the budget ceiling for Iowa School for the Deaf be increased by \$65,000 to \$3,499,000 for 1978-1979, that the proposed preliminary budget of \$3,711,000 for 1979-1980 be approved subject to consideration of the faculty salary plan, and that the institution obtain Regents' authorization at its June meeting for continuation in 1979-1980 of a Child Study Center and for hiring a director. Regent Harris seconded the motion, and it passed unanimously.

AGREEMENT BETWEEN IOWA SCHOOL FOR THE DEAF AND BUENA VISTA COLLEGE. The Board Office recommended that the board ratify a proposed agreement between Iowa School for the Deaf and Buena Vista College for provision of facilities and practicum experience for student teachers from Buena Vista at a cost of \$50 for each full-time student teacher.

The Board Office noted that although the agreement executed by Executive Secretary Richey provides a continuing relationship between the two institutions, each party reserves the right to dissolve the contract at any time if student teaching proves to be unsatisfactory. The Board Office noted that student teachers will help the regular faculty members with teaching responsibilities and may well provide a viable source for recruitment of new faculty members, two benefits in addition to the stipends received.

President Petersen asked Superintendent Giangreco if he could control the number of students wanting to participate in practicums at the school, and he assured her that he could limit them.

MOTION:

Regent Slife moved the board ratify the action of the executive secretary executing a proposed agreement on behalf of the Iowa School for the Deaf with Buena Vista College, Storm Lake, Iowa, under which ISD agrees to provide facilities and practicum experience for student teachers and the college agrees to pay \$50 for each full-time student teacher. Regent Shaw seconded the motion, and it passed unanimously.

MEETING OF REGENTS WITH PARENTS OF IOWA SCHOOL FOR THE DEAF STUDENTS.

President Petersen announced that the committee of Regents arranging for meetings around the state with parents of ISD students had met and that a volunteer was needed to attend the Mason City meeting. Regent Brownlee said he would be present. Regent Harris reported that the committee had asked a faculty member from ISD to be present at each meeting to answer questions also. He requested that the school supply a fact sheet for distribution to the parents present.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR MAY 1979. Business Manager Kuehnhold distributed a report on the public hearing, bid openings and bid award recommendations on the following projects for which bids were taken originally on May 3: Fire Safety Deficiencies--Phase II; Physically Handicapped Accessibility Project--Phase I; Roof Replacement or Repairs--1979--Phase I. These three projects are funded from a variety of capital and current operating funds.

Mr. Kuehnhold noted that multiple bids were received on May 3 on both the Fire Safety and the Handicapped Accessibility projects. However, initially only a single bid was received on the Roof Renovations project. The board was requested to ratify executive secretary action in rejecting this single bid and extending the bid submittal date to May 15, 1979. The single bid received was far in excess of budget.

On May 15, four bids were received, as tabulated in the report submitted by Business Manager Kuehnhold.

The board was also informed that the low bidder on the Physically Handicapped Accessibility project, Ray Martin Company, Omaha, Nebraska, had submitted a letter (a copy was attached) in which the company requested permission to withdraw its bid and, further, requested the Owner to not require forfeiture of bid bond. The company pointed out in its letter dated May 8, 1979, to the architect on the project that "We became concerned about the accuracy of our bid in view of the disparity between our bid and other bids submitted. Late the afternoon of May 4, we began to recheck our estimate against the requirements of the contract documents and found that we had made a substantial error in the amount allowed for the general construction portion of the work which would be a part of our contract. The error was the result of receiving a price of one general contractor that was not complete and not making an additional allowance for the remainder of the work. This resulted in an error of \$5,850 at our cost."

The recommendation of the Board Office in this matter was that the request of Ray Martin Company, Omaha, Nebraska, be denied and that in order to initiate bid bond forfeiture, contract should be awarded to that firm and forfeiture will occur when the firm formally rejects the contract offer.

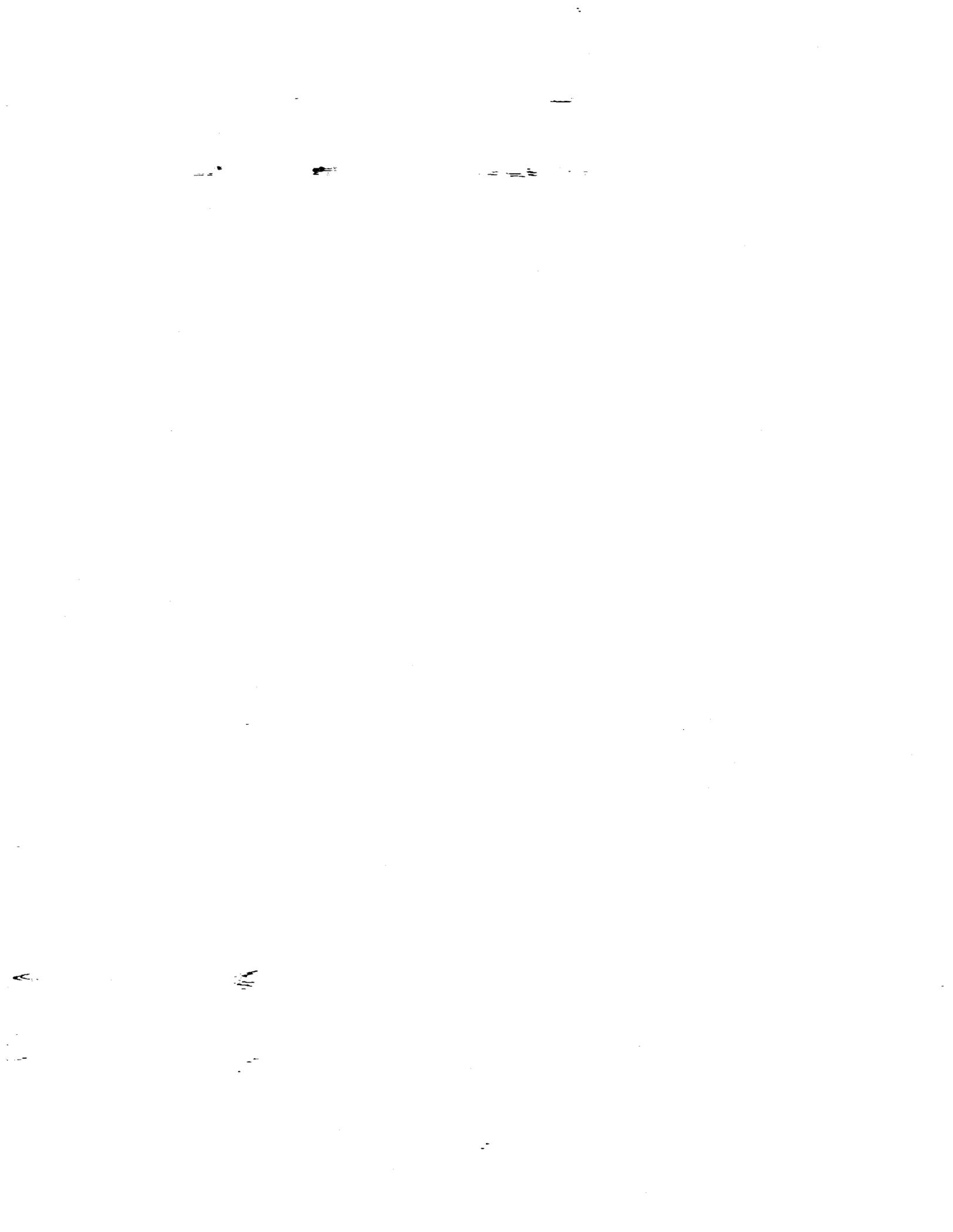
Several other minor irregularities were pointed out in the material submitted by Mr. Kuehnhold. Executive Secretary Richey noted that all contract awards and budgets on these projects should be subject to review by the Board Office and if the contract awards can be made within funds available to the school, the executive secretary be permitted to award the contracts, subject to board ratification of his action at its regular June meeting.

MOTION:

Mr. Slife moved that the board formally reject the single bid received on May 3 on the Roof Renovation project and extend the bid submittal date to May 15, 1979; further, the board receive the report, as submitted by the Business Manager of the school, and refer the report to the executive secretary for appropriate action, subject to ratification of actions taken at the June Board of Regents' meeting; that the board reject the request of Ray Martin Company, Omaha, Nebraska, for return of bid security on the Physically

Handicapped Accessibility project. Mrs. Belin seconded the motion, and it passed unanimously.

President Petersen 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. None were raised.



## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, May 17, 1979.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for April 1979 were ratified by the board.

PRELIMINARY BUDGET, 1979-1980. The Board Office recommended that a budget ceiling increase of \$51,000 to \$1,893,000 for 1978-1979 be approved and that the proposed 1979-1980 budget of \$2,005,000 be approved, subject to approval of the Omnibus Appropriation Bill for Education and the State Salary Bill.

### Budget Ceiling Increase

The Board Office noted that the school is proposing a budget ceiling increase for 1978-1979 of \$51,000 to reinstate the appropriations excluded by the Board of Regents at its June meeting. At that time, the board estimated the funds to be unneeded for health insurance premiums; now the funds are needed for building repair projects. The school will prepare a docket memorandum concerning these projects for the June meeting.

The Board Office noted that Regents' institutions have a responsibility to estimate income at the highest level consistent with earning expectations because underestimated institutional income may be perceived by external reviewers as causing unnecessary appropriations increases.

Iowa Braille and Sight Saving School estimates no increase in institutional income over the budget for 1978-1979.

### Preliminary Budget

Income. The school is proposing a preliminary budget of \$2,005,000 for 1979-1980 funded by \$70,000 of institutional income and \$1,935,000 of appropriations. Institutional income as budgeted for 1978-79 includes \$31,000 of federal funds for the food program (a three percent increase over 1978-1979); \$17,000 for sales and services; and \$22,000 of other income (both of which are estimated to be identical with 1978-1979).

Expenditures. During 1978-1979, \$112,000 is being reallocated from salaries and supplies and services to needed equipment and building repairs. Funds available from salaries are due to a teaching position partially filled by other faculty members and a psychologist and a home liaison person quitting during the winter. In addition, the institution has been unsuccessful in hiring a physical therapist or maintenance mechanic. The institution is reallocating \$38,000 from supplies and services in this period.

The Board Office reported that for 1979-1980 the institution is attempting to reallocate funds among expenditure categories in accordance with actual need. For example, since needs for supplies and services has been decreasing

as enrollment has declined, this category has been budgeted at \$14,000 below the amount calculated for the appropriations and allows, in part, additional funding for equipment and building repairs. The institution is proposing to spend \$1,568,000 for salaries, an amount \$9,000 below that of the appropriations bill calculations but sufficient to cover the proposed faculty pay plan assuming \$15,482 of salary savings and no other anticipated reallocations.

Program Change. The Board Office noted that the \$20,000 appropriated for essential program adjustments due to phasing-out of the deaf/blind program is proposed to fund salaries of a quarter-time deaf/blind instructor and 1.85 FTE houseparents. The institution is also proposing that the recreation director position be funded from the general fund because of the phase-out of Title I funds. The institution reports that it continues to search for a physical therapist. Funding of a proposed new position for a part-time registered nurse will be accomplished by reallocation of \$6,000.

Issues. Although a Title I budget is not ready at this time, the institution expects funding to be at about the 1978-1979 level (\$62,000) during the next two years, based on a slight increase in funding for the state and offset by enrollment reductions and formula funds related thereto. The Board Office noted that the funding formula methodology will be changed beyond the 1979-1981 biennium.

Superintendent DeMott said that use of funds reserved as unneeded for health insurance premiums will allow the institution to catch up in terms of renovations and repairs. Executive Secretary Richey noted that both special schools receive federal funds, as well as funds from the Department of Public Instruction, which can be used the same way as general funds of institutions. He said the board will have information on Title I funding by the next board meeting.

MOTION:

Mr. Bailey moved the board approve increasing the budget ceiling \$51,000 to \$1,893,000 for 1978-1979 to allow funds previously reserved as unneeded for health insurance premiums to be used for nonrecurring projects and approve a proposed preliminary budget of \$2,005,000 for 1979-1980 subject to consideration of the faculty salary plan. Mr. Wenstrand seconded the motion, and it passed unanimously.

ADMINISTRATIVE REORGANIZATION. The board was requested to approve administrative and school reorganization to provide a more effective administrative structure within the school. The school proposed:

...that individuals having administrative responsibilities be limited to five, including Superintendent, Director of Business Affairs, Director of Planning and Personnel, Director of Education and Director of Student/Home Services.

The proposal includes the recommendation that salaries approximate the range of \$19,000 to \$28,000 per year. Where appropriate individuals would be placed on Pay Grade 7 of the Professional and Scientific Salary Scale or would be indexed on the Faculty Salary Scale such that their salaries would fall within the proposed range.

The Board Office recommended assignment of the positions of Director of Planning and Personnel and the Director of Student/Home Services to grade 6, a modification accepted by Superintendent DeMott. The remaining three assignments proposed by the school were recommended for approval by the Board Office.

MOTION:

Dr. Harris moved the board approve the administrative reorganization proposed by Iowa Braille and Sight Saving School which limits administrative positions to five-- Superintendent, Director of Business Affairs, Director of Planning and Personnel, Director of Education, and Director of Student/Home Services--and approve assignment of the positions of Director of Planning and Personnel and the Director of Student/Home Services to grade 6, with the salaries for the remaining positions to approximate the \$19,000 to \$28,000 per year range. Mr. Slife seconded the motion, and it passed unanimously.

BASIC WORK RULES, IOWA BRAILLE AND SIGHT SAVING SCHOOL. Consideration of a detailed proposal of work rules by Iowa Braille and Sight Saving School was deferred to the June meeting. The Board Office noted that a preliminary review of the rules indicates that time is needed to conduct an indepth review and analysis and to consult with institutional officials on the matter.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS FOR APRIL 1979. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for April 1979 had been received by him, was in order, and recommended approval.

The Board was asked to approve two transactions relating to Phase II -- Capital Renovation, an amendment to an agreement and the total project budget of \$205,000. The Board Office presented information concerning these actions:

- On January 18, 1979, the board entered into a contract with Brown Healey Bock, Cedar Rapids, Iowa, to provide architectural services on Phase II -- Capital Renovations, 1977-1979. Compensation was broken down on an hourly rate basis to provide full design services on what was identified as Projects II-B and II-C, Administrative Office Relocation, Phase II, and Renovation of the Portion of the Auditorium in the Main Building for a Conference Center. The contract only contemplated services through the schematic design phase for the third project, Enclosed Walkway to the Gymnasium from Rice Hall. Total compensation according to that agreement was \$9,500, of which the schematic design services involved \$1,300.

- Upon completion of schematic design on the Enclosed Walkway project, the budget for that project was revised to provide for estimated costs of \$100,000 for construction, compared to the original cost estimate of \$61,850. The increased costs resulted from a slight increase in walkway length and the necessity to overcome underground utility connections in walkway construction.
- The total budget for the walkway project is now reestablished at \$120,000, and, because of this \$50,000 overall increase in costs of that portion of the project, the school is recommending that the Renovation of the Portion of the Auditorium in the Main Building for a Conference Center project be terminated. (Costs attributed to that portion of the project are \$320 for architectural fees incurred prior to April 26, 1979, the termination date of the project.)
- The amendment with the architect changes total compensation on Projects II-A, II-B, and II-C to termination, to an hourly rate contract with a maximum of \$18,200, a sum which includes an additional \$8,700 for the walkway project to enable its completion. This figures out to 10 percent of the new cost of construction when the schematic design fees are included in the agreement. While this fee is somewhat higher than normal, it is in line with recent contracts between the University of Iowa and Brown Healey Bock for certain hospital work. Those fees figure to be about 8.5 percent of the construction cost; an additional 1.5 percent of the construction cost is additive to this project at IBSSS because of the increased administrative responsibilities placed upon the architect in undertaking a project at IBSSS, in comparison to those services that are needed by the University of Iowa in the area of administration.

The board is requested to approve both the amendment to the agreement and the total project budget of \$205,000, which includes \$120,000 for the Walkway project and \$85,000 for the final phase Remodeling and Relocation of Administrative Offices project. The Board Office noted that bids will be taken on these projects no later than June 15, 1979, since a portion of the funding will come from operating account balances in the current year.

The board was also asked to ratify an hourly rate contract (with a maximum of \$5,500) with Thorson-Brom-Broshar-Snyder, Waterloo, Iowa, to provide a full-range of architectural services on a roofing project on the flat areas of the gymnasium complex.

The board also was asked to ratify a routine contract change order for \$981 to the mechanical contractor on the Phase I -- Capital Projects, 1977-1979.

MOTION:

Regent Barber moved the board approve the Register of Capital Improvement Business Transactions for April 1979; ratify a contract change order; approve an amendment to an agreement with Brown Healey Bock, Cedar Rapids, Iowa, on Phase II -- Capital Renovations, 1977-1979 to an hourly rate contract with a maximum of \$18,200; approve a revised budget on the same project; ratify an hourly rate contract with a maximum of \$5,500 with Thorson-Brom-Broshar-Snyder, Waterloo, Iowa, on a roofing project on the flat areas of the gymnasium complex; and authorize the executive secretary to sign all necessary documents. Regent Harris seconded the motion, and it passed unanimously.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
May 17, 1979

AGREEMENT WITH HAPPY TIME CHILD CARE CENTER. The Board Office recommended that the board approve the proposed contract between Iowa Braille and Sight Saving School and Happy Time Child Care Center for the 1979-1980 academic year and that Superintendent DeMott be authorized to execute same.

The Board Office noted that the school seeks reapproval of a contract with Happy Time Child Care Center dating back to January 1976, which provides unneeded space in the basement of Palmer Hall for the center's use. The school receives a minimum annual payment of \$1,800, which the school's officials state adequately covers the costs for utilities and minimal custodial services furnished by the school.

The school reports that the center carries a liability insurance policy which names Iowa Braille and Sight Saving School as an insured. The policy has limits of \$300,000 for bodily injury, \$50,000 for property damage, and \$500 per person for medical payments (\$10,000 per accident).

The Board Office reported that this relationship, which has proven to be mutually satisfactory to the parties, provides income for otherwise unoccupied school space.

MOTION:

Dr. Harris moved the board approve the proposed contract between Iowa Braille and Sight Saving School and Happy Time Child Care for the 1979-1980 academic year and authorize Superintendent DeMott to execute the same. Mr. Brownlee seconded the motion and, after due consideration by the board, the president put the question.

Upon roll being called, the following voted:

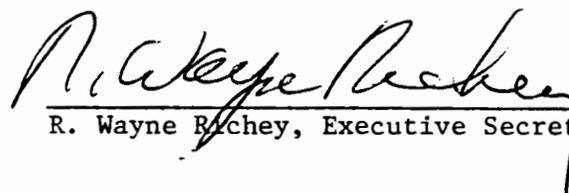
AYE: Bailey, Barber, Belin, Brownlee, Harris,  
Shaw, Slife, Wenstrand, Petersen.

NAY: None.

Whereupon the president declared the motion duly adopted.

President Petersen 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. None were raised.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 5:35 p.m., Thursday, May 17, 1979.

  
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R. Wayne Richey, Executive Secretary