

The State Board of Regents met at Iowa State University on Thursday, May 18, 1978. Those present were:

May 18

Members of State Board of Regents:

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

Office of State Board of Regents:

Executive Secretary Richey	All Sessions
Director Caldwell	All Sessions
Director McMurray	All Sessions
Miss Van Ryswyk, Secretary	All Sessions

State University of Iowa:

President Boyd	All Sessions
Vice President Brodbeck	All Sessions
Vice President Jennings	All Sessions
Assistant Vice President Small	All Sessions
Assistant to President Mahon	All Sessions
Director Colloton	Exc. 2:00 p.m.
Director Hawkins	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
Assistant Vice President Madden	All Sessions
Assistant to President Henry	All Sessions

University of Northern Iowa:

President Kamerick	All Sessions
Provost Martin	All Sessions
Vice President Stansbury	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	Exc. 3:00 p.m.
Business Manager Berry	Exc. 3:00 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, May 18, 1978.

APPROVAL OF MINUTES OF APRIL 20-21, 1978 MEETING. The minutes of the April 20-21, 1978 meeting of the Board of Regents were approved as corrected.

COMMITTEE ON EDUCATIONAL COORDINATION APPROVAL OF AREA SCHOOLS FOR 1977-1978. The Board Office recommended the board approve the recommendations of the Regents' Committee on Educational Relations and the State Department of Public Instruction regarding the approvals of the area schools.

The Board Office indicated that the area school approval recommendations were submitted in compliance with the departmental rules for the area schools.

The board was presented a memorandum recommending the area schools approvals from the Regents' Committee on Educational Relations. It was pointed out by the Board Office that there was an unstated exception to the recommendations as noted by the Committee on Educational Relations for Merged Area XIV. Southwestern Community College (Creston) was recommended for approval; however, the joint committee had concerns with respect to compliance with past recommendations regarding Merged Area XIV. It was noted that this concern will be directed to Southwestern Community College in a separate communication.

MOTION:

Mr. Harris moved the board approve the recommendations of the Regents' Committee on Educational Relations and the State Department of Public Instruction regarding the approvals of the area schools. Mr. Harris commended the Committee on Educational Relations and the State Department of Public Instruction. Mrs. Belin seconded the motion.

President Petersen reported that the approvals of the area schools is one of the most important functions for the flow of students going back and forth from the area community colleges to the Regents' institutions. She added that the Committee on Educational Relations works with the area community colleges to facilitate transfer of students and to maintain standards in education. She commented that the cooperation between the two entities is of an ongoing nature.

Regent Wenstrand asked if the recommendation before the board involved a thorough examination. President Petersen responded that a great deal of time and effort went into the recommendation before the board.

Regent Bailey asked how often the area schools are evaluated extensively. Vice President Martin responded that each area school is evaluated basically every five years. He asked if he was accurate in believing that although

there are Merged Area I through XVI schools, there are only fifteen. Vice President Martin affirmed Regent Bailey's observation by noting that there is no Merged Area VIII.

VOTE ON MOTION: The motion passed unanimously.

COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION MEETING. The Board Office presented the board with a brief summary of the May 4th meeting of the Iowa Coordinating Council for Post-High School Education held at the American Institute of Business in Des Moines. Some of the major items of discussions were:

- 1) A proposal was approved by the council for the funding and operation of the Educational Information Centers. The funding of the Educational Information Centers will be funneled through the Higher Education Facilities Commission whose responsibility will be limited to being funds stakeholder.
- 2) A set of project proposals was approved by the continuation of the life-long learning efforts in Iowa. The policy responsibility for this project will lie with the council.
- 3) New programs were accepted by the council from the area schools and from Iowa State University.
- 4) A brief report on the status of the reciprocity study was heard with indication that a final report on the study will be submitted in June.

President Petersen expressed pleasure that the Educational Information Centers Program will be put into effect. The program will provide educational information, guidance, counseling and referral services to all individuals in the state through centers located within a reasonable distance of all of the state's residents. President Petersen reported that it was recommended and approved that Iowa's program be implemented through the existing organizations and consortia that currently exist among post-secondary educational agencies. She noted that appropriate supplementation from other agencies capable of contributing to the program will be made.

President Petersen noted that Iowa currently has an enviable reputation for voluntary cooperation among public and private postsecondary agencies and institutions. This voluntary cooperation system has the potential for providing state-wide leadership in developing the program since it has already provided important progress in addressing some of the requirements of the program.

The following major components of postsecondary cooperation are presently functioning and will be available for implementing the Educational Information Centers Program:

Coordinating Council for Post-High School Education -- This resource will serve as the administrative agency to implement Iowa's program.

Iowa Coordinating Committee for Continuing Education -- This resource will serve as the state-wide agency for operating the program.

Five Regional Clusters (voluntary consortia of postsecondary educational institutions to explore and implement procedures for better serving non-traditional learners) -- The five regional clusters will serve as the local coordinating organizations for insuring that the program adequately serves local needs.

Local Educational Information Centers (designated by the membership of the five regional clusters subject to review by the Iowa Coordinating Committee for Continuing Education) -- The centers may be a local school such as a local secondary school, a local library, a local agency such as a Job Service of Iowa office, or a postsecondary educational institution or extension center. In addition to the designated centers, additional agencies may also participate to provide to an even greater extent the concept of program services, but this would be supplementary to the designated centers.

Career Information System of Iowa (CISI) -- This system will serve as the state-wide resource for collection and retrieval of program information.

It was noted that funds received from the state allocation for this program will be used to fund the activities required to plan the location for centers as well as to provide some of the resources needed to support the centers. The state matching requirement of 33 1/3% of the costs reasonably related to the administration of the plan for educational informational centers will be obtained from the participating institutions and agencies through the contribution of staff time and other contributed resources.

Regent Bailey noted that two sets of funds are actually going to be used to provide for the program: 1) 1203 funds relating to continuing education and 2) the funds the Governor asked the Coordinating Council to handle.

Regent Belin asked who the principal beneficiaries of the program would be. President Boyd reported that the program would provide information to learners at the postsecondary level.

Regent Shaw said he would hate to see too much emphasis put on segmenting adults, that materials are not produced that have the same effect as the traditional educational instruction. He stated that sometimes nontraditional materials may be packed in a more interesting fashion for viewer entertainment over the television, radio, etc. President Petersen responded that the board is trying to plan, as cooperatively as possible, across segmental lines to provide educational opportunities for adults. She termed the board's involvement as gaining broader-based educational opportunities. Regent Shaw further clarified his concerns by stating he fears that faculty may not be as qualified in the nontraditional learning programs as those in the traditional setting.

President Boyd commented that the institutions are trying to have opportunities made available for postsecondary-level learners through many ways. He reported that work is continually being done to attempt to improve the number of learners involved in education in the nontraditional sense. Regent Shaw said he has read a number of articles about nontraditional education and has found that public interest in those type of programs is lacking. President Boyd stated that peer support raises the perseverance level in education. He said that on-campus learning is more effective for that reason.

President Petersen commented that in many states around the country industrial education components have been established which enables persons in industrial positions to have part-time appointments with educational institutions.

REPORT ON HIGHER EDUCATION FACILITIES COMMISSION. Regent Bailey provided the board with an oral report on the last meeting of the Higher Education Facilities Commission. He stated that the legislature appropriated \$50,000 for scholarships for fee assistance to members of the National Guard. He said the appropriation was intended as a recruitment and reenlistment lever. He reported that representatives from the National Guard attended the Higher Education Facilities Commission meeting to help develop an application form for such scholarships. As a result of the meeting, 200 grants will be available in the amount of \$250 each. The grant can be used for tuition and actual academic expenses at any postsecondary education institution in Iowa.

Regent Bailey reported that by a divided vote the Faith Baptist Bible College of Ankeny, Iowa was admitted to the Tuition Grant Program. He noted that there was a discussion as to whether or not the college met the necessary academic qualifications and the discussion's outcome proved that the college meets those qualifications very well. President Petersen noted that the Faith Baptist Bible College has not been accredited by the North Central Association. Regent Bailey confirmed President Petersen's remarks by stating that the North Central Association does not have a division that accredits Bible colleges. In any case, the college's academic program is apparently very sound. Regent Bailey noted that the admittance of the Faith Baptist Bible College to the Tuition Grant Program will not affect the board's institutions as its scholarship money will come through the private college grants.

Regent Belin asked if a conflict of church and state would be involved with respect to the Faith Baptist College being included in the Tuition Grant Program. Regent Bailey responded in the negative as the grants would go to the students and not to the respective schools.

Regent Bailey expressed reservations about the new name of the Higher Education Facilities Commission, the Iowa College Aid Commission. He said he feels the name "leaves the Regents completely out of the picture," especially since the same bill established a State Guaranteed Loan Program. He noted that the original bill recommended the name of Postsecondary Education Assistance Commission but the name was discarded as having too much verbage. He said he feels that the initial recommendation more properly described the commission.

President Petersen said she understands that the word "college" in the new Higher Education Facilities Commission's title is used in a catholic

GENERAL
May 18, 1978

sense and was a broad term used for postsecondary education. Regent Bailey said that while President Petersen's reasoning may be right, he didn't feel that most people would think of the name in that way.

As background, Mr. Richey explained that the Higher Education Facilities Commission proposed that its name be changed in the legislation that inaugurated the State Guaranteed Student Loan Program. The name proposed was the Iowa Postsecondary Educational Assistance Commission. That proposal came to the Board of Regents and the board indicated approval of that name. When the bill was brought up in the Senate, Senators indicated dissatisfaction with the length of the title. One Senator recommended the word "facilities" be stricken from Higher Education Facilities Commission, instead. That name then passed the Senate. The Board of Regents was very concerned about the implications of the name, Higher Education Commission, in terms of the impression that it might hold of having a "supercoordinating board" created in the state. The board's concerns were relayed to the Senate, but the response provided was that the substance of the legislation would be what counted and not the name. It was still felt that the name had very serious connotations for Iowa, particularly on the national scene and with the federal people who are steadily encouraging higher education coordinating boards.

Mr. Richey stated that the Board Office then worked with the House to try to get the originally-proposed name restored. It was impossible to get that done. The compromise name of the Iowa College Aid Commission was proposed by a person long familiar with the operation of the Higher Education Facilities Commission. Mr. Richey indicated on behalf of the Board of Regents to the board's liaison people that the compromise name was preferred over the name Higher Education Commission. Mr. Richey said that while the board worked hard to get the originally-proposed name agreed to, it was decided that the compromise name was far more acceptable. The House agreed on the compromise name and amended the bill to get out another technical amendment and the board's legislative liaison people worked on the Senate side to get a clearer understanding of the issue.

Regent Bailey commented that while the Higher Education Facilities Commission, itself, concurred with the compromise name of the Iowa College Aid Commission, he felt that the new name has implications as far as student aid loans, scholarships and grants are concerned. Mr. Richey reported that aspect was taken into consideration, but it was decided that the substance of the various student aid programs would govern.

LEGISLATIVE REPORT. The Board Office reported that the 1978 Legislature recessed early Saturday morning, May 13th, ending for all practical purposes the session which began on January 9. The legislature did, however, pass a resolution calling itself back into session on June 30th, if necessary, to consider the question of mortgage rates and interest rates on credit. An interim study committee is to review this issue and determine if the legislature needs to reconvene on June 30.

Mr. Richey praised the board's legislative liaison personnel for the excellent and very effective work they did for the board during the session. He paid particular tribute to Mr. Hawkins. Mr. Richey said he was very pleased with the close cooperation and coordination between the liaisons and the Board Office. He said that Mr. Henry, Mr. Voldseth and Mr. Hawkins very conscientiously represented the board's policy and extensively consulted with the Board Office to get those views.

Mr. Richey reported that House File 491, which increases the excise tax on gasoline by 1.5¢ per gallon on July 1, 1978, and an additional 1.5¢ per gallon on July 1, 1979, was sent to the Governor for action. The bill also puts an additional 2¢ per gallon tax on diesel fuel effective July 1, 1978, followed by an additional 1.5¢ per gallon increase on July 1, 1979. Mr. Richey estimated that the board's institutions will have a minimum of \$200,000 more to spend annually for institutional roads under this bill.

Mr. Richey indicated that House File 2074 (the open meetings of governmental bodies) will be studied during the next month and recommendations will be made to the board regarding implementation at the June meeting.

Mr. Richey noted that House File 2098 makes three appropriations of interest to Iowa State University: \$100,000 to the Department of Agriculture for the processing of aujeszky's disease tests, \$75,000 to the Agriculture Experiment Station to be used to conduct a study and research of grain grading, testing and pricing in Iowa, and \$300,000 to be used by the Energy and Mineral Resources Research Institute to continue the coal research project. This bill has been sent to the Governor for action.

Mr. Richey stated that House File 2426 makes major changes in the Iowa Public Employees Retirement System. House File 2432 adds a new subsection to the Code indicating that the board may, at its discretion, employ or retain attorneys or counselors when acting as a public employer for the purpose of carrying out collective bargaining and related responsibilities which are provided for under Chapter 20 of the Code. He noted that the latter bill has two parts: 1) continuing authority and 2) authorization to pay for prior services. That bill goes into effect on July 1. He commented that the suit that the Attorney General currently has against the board may be dismissed at that time.

Discussion was then raised pertaining to Senate File 2241. Mr. Richey pointed out that this bill appropriates \$108,659 to the Iowa Mental Health Authority for operating funds for fiscal year 1979. Companion bills are also being discussed which would create an interim study on mental health delivery systems in the state and which would abolish the Iowa Mental Health Authority and the Mental Hygiene Committee until such time as the study indicated which of several alternatives would provide mental health delivery systems in Iowa. Regent Bailey commented that when the budget was considered, the Mental Health Authority requested the addition of 12 staff members, which would more than double the budget. Regent Bailey noted that

he was the only member of this committee that voted negatively on the doubling of staff.

Mr. Richey reported that House File 2330 has passed both legislative houses which deals with governance for health and life insurance purposes. House File 534, passed in 1977, amended the definition of governing body to provide that the Executive Council would negotiate group health and life insurance contracts on behalf of employees of the State Board of Regents. This bill strikes that 1977 amendment and returns responsibility for such group health and life insurance contracts to the Board of Regents. House File 2330 is now under study.

Regent Belin asked how much time the Governor has to sign bills after they are presented to him from the legislature. Assistant Vice President Small reported that the Governor has three days from the date he receives the enrolled bill. Mr. Richey noted that, technically, the legislature is still in session. He said that a lot of enrolled bills have not been transmitted to the Governor yet.

Mr. Richey reported that Senate File 2201 relates to financial disclosure of gifts for legislators and public officials. It was noted that the House virtually rewrote the Senate-passed version. Mr. Richey noted that while the Board Office had not received a copy of the enrolled bill explaining action taken, Mr. Hawkins stated that the bill as passed by legislature did not require disclosure of such gifts. The bill has yet to be signed by the Governor.

Mr. Richey indicated that Senate File 2247 deals with accrued sick leave. The 1977 Session reduced sick leave for nonorganized employees from 30 days per year to 18 days per year. It also provided that all sick leave in excess of 90 days would be put into a sick leave bank and that such sick leave bank could be used for extended illness and, further, that any sick leave left in the bank upon retirement would be convertible for retirees for certain benefits to be approved after study by this session of the legislature. Mr. Richey noted that the Senate and the House passed different bills on sick leave. This matter went to a conference committee and the first conference report was rejected by the Senate. The second conference report was issued on Friday, May 12. Mr. Richey said the Board Office has very serious reservations about the cost of adding sick leave days to annual vacation days. Mr. McMurray reported that the bill did pass.

Mr. McMurray reported that House File 2323 passed the House early in the session. It sets up escrow accounts in lieu of cash retention of contractor's payments. Hearings were held in the Senate Commerce Committee on the bill and the board objected to the bill as it passed the House. The Senate Commerce Committee scrapped the House-passed bill and provided the following in its place:

Under any contract for a public improvement made or awarded by a public corporation, the contractor shall be entitled to receive any interest earned by the public corporation on amounts retained by the public corporation under the provisions of Section 573.12 of the Code. Interest accruing to the contractor under this section shall be paid at the time of payment to the contractor of the retained funds upon which the interest is earned.

Mr. McMurray reported that he did not know whether the bill passed both houses or not. He reported that discussions were held with Master Builders on the issue of retainage and recommendations regarding basic board policy in that regard will be made to the board at its June meeting.

Regent Shaw noted that the Board Office presented the board with information relating to a number of bills requesting the board either take a position or consider taking a position on. He said he felt the board should only become involved where a bill(s) has specific interest to the board. He said the board should make sure that it represents the state's interest and not any other interest in its position on bills.

Regent Shaw commented with respect to tort claim limits, House File 186. The bill limits recovery under the Tort Liability of Governmental Subdivisions Act to \$100,000 for one person and \$300,000 to two or more persons for any one accident or occurrence. Regent Shaw said he assumed the bill was an attempt to limit the state's liability and he noted that he favored that limitation. He noted, however, that the bill has an impact on the amount of property tax paid in Iowa counties. He said he was not sure that the board should become involved in House File 186 with respect to taking a position one way or the other in view of the fact that the bill's implications reach beyond board policy.

Regent Shaw reported that he heard that students at the University of Northern Iowa were working against dormitory construction for area schools. President Kamerick responded that the president of the University of Northern Iowa's student body informed him that reports were inaccurate to the instigator of that movement. He said that a lobbying organization of students from the three state universities joined together in opposition of dormitory construction at the area schools. Reports inaccurately reflected that only students from the University of Northern Iowa were involved. He said the reports also inaccurately inferred that the Regents' position was being carried out by lobbying against area schools' dormitory construction. President Kamerick relayed information stating that the issue was solely lobbied by university students. Mr. Richey reiterated President Kamerick's remarks by stating that the board did not have a position on that matter.

Mr. Richey emphasized the fact that the Board Office and the legislative liaisons are very careful about recommending positions to the Board of Regents and recommend only matters that represent interests of the board. He stated that any position recommended by the Board Office is presented to the board for approval.

The Board Office reported that a large number of resolutions were introduced in the closing days of the session calling for various legislative studies. The legislature did not act specifically on the question of changing the retirement age for state employees in this session. Instead, it introduced a resolution calling for a study during the interim. Other interim studies, all of which will be considered by the Legislative Council in early summer, include area school funding, state personnel policy and mental health delivery systems.

Mr. Hawkins noted that on May 12 the Governor signed Senate Concurrent Resolution 121, which authorized the issuance of \$12,000,000 in hospital revenue bonds by the board for the purpose of constructing Phase B of Carver Pavilion. Mr. McMurray noted that a final report on the 1978 Session would be issued later this summer.

ALLOCATION OF CAPITAL IMPROVEMENT APPROPRIATIONS FOR 1978-1979. The Board Office recommended the following:

- 1) Allocate the \$395,000 general appropriation for capital improvements made by the 1978 Session as follows:

\$345,000 (or so much as is necessary) to the University of Iowa for construction of two fire stairs in the Chemistry/Botany Building

\$50,000 to Iowa School for the Deaf to be matched by other institutional funds to repair the roof of the Main Building

- 2) Reallocate \$50,000 of 1975 general appropriations allocated to the University of Iowa for supplemental funding for Coal-Fired Boiler #10 to the Fire Stair project in the Chemistry/Botany Building.

The Board Office reminded the board that the board's request to the 1978 Session for capital improvements was \$12,535,000. Through Senate File 2229, appropriations totaling \$4,550,000 were granted for these purposes: Lindquist Center for Measurement -- Phase II Equipment (University of Iowa), Music Building Construction (Iowa State University), and general capital improvement items for repairs, improvements, etc. A rider was added to the \$395,000 appropriation for general capital improvement items in that the funds would not be able to be used for planning the construction of new buildings or major additions to existing buildings.

This bill (Senate File 2229) has been signed by the Governor and will become effective July 1, 1978. In addition, Senate File 2229 appropriates the \$3,465,000 requested for tuition replacement purposes for fiscal year 1978-1979.

Mr. Richey reported that the options for use of the \$395,000 were quite restricted because of the amount of money available. The first priority project for those funds has been, since the middle of the session, for fire safety at the University of Iowa. The board had as part of its capital request a project originally estimated to cost \$250,000 to construct three exterior fire escapes on the Chemistry/Botany Building and one exterior fire escape on North Hall. Earlier this year, the University of Iowa conducted a fire code compliance evaluation on the Chemistry/Botany Building. The results of that evaluation showed that there was something like \$1.7 million in construction costs only, of primary code deficiencies in that building. Of these deficiencies, \$188,640 will be taken care of through an RR&A project approved in March and another \$124,000 was proposed to be covered in a later project of the University of Iowa. As a part of that evaluation, it was pointed out that a better solution to the fire exit deficiency situation would be to build new interior stairways, three in number, rather than exterior fire escapes. The university indicated that interior stair A would cost \$103,680 and interior stair C would cost an additional \$78,000. If those two items would be met from the capital appropriations, there would be about \$1.2 million in unmet fire safety deficiencies in the Chemistry/Botany Building which probably would be deferred until the capital request to the 1979 Session.

The Board Office indicated that the cost of constructing stair A and stair C at this time along with the remodeling associated with the interior construction of the Chemistry/Botany Building totals about \$395,000. Stair B would be undertaken as part of the capital remodeling request on the Chemistry/Botany Building which was unfunded by this session of the legislature, but which will be part of the university's capital request to the board for the 1979 Session. The North Hall fire escape, which is estimated to cost about \$70,000, would, in all likelihood, be funded from university RR&A funds in the current year.

The \$50,000 recommended to the Iowa School for the Deaf for repairs to the main building would be matched by other institutional funds including savings in the fire safety project, current year's and next year's RR&A balances, etc. The Board Office recommended that the school be authorized to add this project to the other two projects for which authorization was provided the school to issue a purchase order to the firm of Wilscam, Mullins & Birge, Inc., Omaha, Nebraska, to provide architectural services on the project. There is a need to take bids on this project prior to June 30 in order to commit current year's RR&A funds.

In 1975 the board allocated \$50,000 to the University of Iowa for supplemental funding for the Coal-Fired Boiler #10 project. These funds are not needed for that purpose. The Board Office recommended that the \$50,000 be reallocated to the stairway project in the Chemistry/Botany Building at the University of Iowa, making full funding for that project of the estimated \$395,000 needed.

The Board Office reported that it considered funding some of the needed roof repairs at the University of Northern Iowa, but was unable to do so at this time. The university indicated that it will undertake the most critical roof repairs this summer but it will defer other repairs until a later date. The cost of roof repairs on the Main Building at Iowa School for the Deaf, on the other hand, is of such an amount that the school is unable to fund it out of current operating funds and there has also been some damage to interior walls from roof leaks. The problem needs to be eliminated as quickly as possible. The school reported that it anticipates no difficulty in providing the \$65,000 "match" to fund this project estimated to cost \$115,000.

MOTION:

Mr. Harris moved the board: 1) allocate the \$395,000 general appropriation for capital improvements made by the 1978 Session as follows: \$345,000 (or so much as is necessary) to the University of Iowa for construction of two fire stairs in the Chemistry/Botany Building, and \$50,000 to Iowa School for the Deaf to be matched by other institutional funds to repair the roof on the main building; and 2) reallocate \$50,000 of 1975 general appropriations allocated to the University of Iowa for supplemental funding for Coal-Fired Boiler #10 to the Fire Stair project in the Chemistry/Botany Building. Mr. Bailey seconded the motion.

School of \$50,000 for transfer after costs for 1978-1979 have been determined; and 2) that the institutions submit to the Board Office after October 1, 1978 a report on 1978-1979 health insurance costs so that inter-institutional transfers can be made.

The Board Office provided the board summary information regarding appropriations, institutional income and proposed budgets for 1978-1979. Budget statements and explanations were provided in each of the respective institutional docket exhibits.

The Board Office reported that the appropriations for 1978-1979 amounted to \$215,906,938 excluding \$275,000 for operating the Board Office. Appropriations for 1978-1979 amount to a 10.6% increase over the appropriations of \$195,167,000 for 1977-1978.

The appropriations for 1978-1979 consisted of the following components:

Salary Increases for 1978-1979 over 1976-77 <u>H.F. 634</u> - 1977 Extraordinary Session of the Sixty-Seventh General Assembly	\$ 30,170,315
Salary Support, Maintenance, Equipment and Miscellaneous <u>S.F. 2125</u> , Section 7	\$180,786,623
Annualization of Merit Salary Increases <u>S.F. 2125</u> , Section 7	\$ 1,500,000
FICA Tax Increase <u>S.F. 2189</u> , Section 9	\$ 400,000
Enrollment Increase Costs <u>S.F. 2125</u> , Section 7	\$ 1,500,000
Federal Funds Losses <u>S.F. 2125</u> , Section 8	\$ 1,300,000
Other Items <u>S.F. 2125</u> , Section 7	\$ 250,000

The board was reminded that the salary increases for 1978-1979 were appropriated as amounts over the 1976-77 base in House File 634, 1977 Extraordinary Session of the Sixty-Seventh General Assembly. These amounts for salary increases provide for annual pay adjustments and related fringe benefits of the collective bargaining agreement for employees in the blue collar bargaining unit. A 6.4% increase was provided in each fiscal year for salaries of faculty members allocated to faculty members at the discretion of the board. Mandatory salary increases for professional and scientific employees were provided in the amount of 6% for salaries less than \$13,200 and 5% for salaries \$13,200 and over plus 2% for merit increases to be allocated to individual employees at the discretion of the State Board of Regents. It provides for Regents Merit employees regular merit increases plus adjustment of the pay plan in the amount of 6% each year for positions for which the annual compensation is less than \$13,200 and 5% for positions for which the annual compensation is at least \$13,200. The amount of \$30.2 million for salary increases over the two-year period provides for an increase of \$13.5 million for 1978-1979 over the \$14.0 million provided for 1977-1978.

The appropriations for salaries (excluding salary increases), support maintenance, equipment and miscellaneous purposes amounts to \$180,786,623. If this figure would be adjusted to include federal funds losses, continuing

education and doctoral program at the University of Northern Iowa, it amounts to \$182.3 million, compared with \$178.9 million for 1977-1978. The latter figure was adjusted to exclude \$800,000 for annualization of merit salary increases in order to make the two figures comparable.

An additional amount of \$1.5 million was appropriated for annualization of merit salary increases which occurred in 1976-1977 and also in 1977-1978. The Governor's recommendation for annualization of merit increases amounted to \$1,510,119. This figure and the amounts in the Governor's recommendation for each organizational unit were used to prorate the appropriation of \$1.5 million to each of the respective organizational units.

The Board Office stated that an amount of \$400,000 for the Regents' institutions was included in a separate bill which appropriates \$800,000 to a special fund established in the office of the State Comptroller to be distributed to the various departments. The board requested an amount of \$446,342 for this purpose. This figure and the appropriations requested for each organizational unit have been used to allocate the \$400,000 to each respective organizational unit. These proposed allocations have been used in developing the institutional budget proposals for 1978-1979 and a copy has been provided to the State Comptroller's Office.

The appropriations of \$1.5 million for enrollment increase costs were allocated by the board at its April meeting in the amounts of \$105,000 for the University of Iowa; \$1,120,000 for Iowa State University and \$275,000 for the University of Northern Iowa.

The appropriations of \$1.3 million for replacement of federal funds losses with state funds have previously been allocated by the board in the amount of \$1,136,420 for the University of Iowa and \$163,580 for Iowa State University.

The Board Office stated that other items of appropriations included in Senate File 2125, Section 7 amount to \$100,000 to maintain the current level of expenditure for continuing education in western Iowa. The institutional budgets were prepared on the basis of \$30,000 for the University of Iowa and \$70,000 for Iowa State University which continues the current funding levels for each of the institutions for this purpose. An amount of \$75,000 was appropriated for the Psychiatric Hospital for mental health research which replaces the standing appropriation of \$75,000. A separate line item appropriation was provided in the amount of \$75,000 for the doctoral program at the University of Northern Iowa. This was the amount included in the appropriation for the University of Northern Iowa during the current year which was intended for the same purpose.

The Board Office reported that health insurance coverage for 1978-1979 was estimated using the anticipated rates. The state and the Regents have agreed that all merit employees of the Regents' institutions be covered under the basic state insurance options. The state contribution for this coverage would be as follows: single, \$38.57; family, \$46.07. Comparison of the funding in House File 634 and the 1976-1977 budget base to the cost of this coverage for Regent Merit System employees at current participation rates, indicated that the State University of Iowa has approximately \$60,000 in funds over and above the amount needed based on current rates of employee participation. Iowa School for the Deaf and Iowa Braille and Sight Saving

School also have funds in excess of the amounts needed of \$33,000 and \$54,000, respectively. Iowa State University and University of Northern Iowa costs would exceed available funding by \$93,000 and \$37,000, respectively. There is sufficient funding available among the Regents' institutions to cover the cost of merit employee health insurance coverage. The Board Office indicated that transferring funds from those institutions overfunded to institutions underfunded could reduce the problem.

Faculty and institutional officials and professional and scientific employee health insurance costs were computed based on current known rates for 1978-1979 and adjusted rates, if merit system employees were to be covered under a separate plan. The reduced rates affect the University of Iowa and University of Northern Iowa and would reduce the funding problem if they go into effect in 1978-1979. The additional funding needed beyond that provided in House File 634 and in the 1976-1977 budget would vary from a high of approximately \$275,000 to a low of \$100,000, based on current participation rates. As in the case of the merit system employees, if participation increases, the funding position would be worse than currently calculated. It is expected that this is likely to occur as the state contribution level rises. The following table identifies the health insurance costs and funding needs as presently estimated. Regents' merit employees are now included in the state-wide plan as a result of Executive Council Action.

Board of Regents

HEALTH INSURANCE PLUS STATE CONTRIBUTION COST 1978-79

Faculty & Institutional Officials & Professional
& Scientific Employees' Contribution Rates -
Funding Required

	Single		Family		Funding Required	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
SUI	\$24.80	\$ 20.00	\$32.30	\$ 27.50	\$(31,171)	\$(172,579)
ISU	26.50		34.00		305,167	305,167
UNI	24.25	20.30	37.75	27.80	(4,942)	(38,598)
ISD	38.57		46.07		10,024	10,024
IBSSS	38.57		46.07		(4,121)	(4,121)
Net Additional Cost					\$274,957	\$ 99,893

Merit Employees

	Single	Family	Funding Required
SUI	\$38.57	\$46.07	\$(58,245)
ISU	38.57	46.07	92,792
UNI	38.57	46.07	37,368
ISD	38.57	46.07	(32,655)
IBSSS	38.57	46.07	(54,161)
Net Additional Cost			\$(14,900)

The Board Office noted that there was a difference in the preceding table and the figures contained in the University of Iowa's preliminary budget docket material. The variance was due to procedural differences in the calculations. The difference will be reconciled in the calculation of actual costs to be computed later this year to determine the interinstitutional reallocation.

The Board Office recommended that the interinstitutional transfers be made at some time in October or November after the enrollment period for participation in the health insurance program has been closed. At that point in time the costs should be known with a greater degree of certainty than can be projected presently.

Regent Harris asked if the excess funds were accrued due to the fact that, when budgets are prepared, estimates are used to calculate insurance needs. Mr. Richey responded in the affirmative.

The Board Office stated that the proposed amounts of institutional income for development of the line budgets amount to \$116,252,000. This amount was compared with the institutional incomes which served as a basis for developing the appropriations bill in the amount of \$112,601,000. Some of the increases in institutional income have occurred during the current year and were previously approved by the board or were being submitted today for approval. Other increases are estimated to occur in 1978-1979. The institutional income estimates affect the budget base which is used to determine the board's budget request for 1979-1981. If the institutional income estimates are overstated for 1978-1979 which will serve as the base for 1979-1981 budget requests and then understated for the 1979-1980 and 1980-1981 years, appropriation requests may become overstated.

The Board Office reported that the proposed budgets for 1978-1979 for each of the organizational units total \$332,091,000 for the Regents' system excluding the Board Office. This figure was compared with \$328,506,000 which would be the budget based on the institutional incomes discussed above which were used in developing the appropriations bill.

The Board Office presented the board summary statements of highlights of new programs, program expansions and program changes for the Regents' institutions.

The University of Northern Iowa proposed to add \$426,000 to its 1978-1979 budget to reflect program changes due to additional tuition income, funding for enrollment increases, and special needs. The sum of \$165,000 was designated for the various academic functions for faculty and institutional officials. The remaining amount is to be expended for increasing a variety of programs such as library, minority group education, business office, alumni office, student services and financial aides. The special need item completes operation of the Speech-Art Complex, Phase I.

The Iowa School for the Deaf is able to plan for 12 additional teachers and one field worker in the general fund budget to provide improved services. The funding is made available due to additional federal funds for food service which releases other funds for the program improvements. The institution plans to institute improved programs funded with federal Title I money which includes two speech therapists, one curriculum specialist,

parent assistance program, one pupil services coordinator and one physical therapist. The institution also plans to initiate a junior high business program, a visually-impaired resource room and computer-assisted instruction.

The Iowa Braille and Sight Saving School is planning to make some budget shifts in order to maintain the basic instructional program. An assistant director of education will be hired for one year prior to assuming the directorship when the present director retires. When the present coordinator of instructional services retires, the position will be retitled visual specialist so that the essentially technical assistance dimension of this role will be more adequately described by the position title. A physical therapist will be hired, and the roles of the Spanish and career education instructors, who are already carrying loads heavier than stipulated, will be included in the budget commensurate with their present load. The one-fifth federal funds portion of the speech clinician's position will be paid out of the Iowa Braille and Sight Saving School's budget.

MOTION:

Mr. Harris moved the board: 1) approve the set aside of health insurance overfunding for House File 634 at Iowa School for the Deaf of \$16,000 and Iowa Braille and Sight Saving School of \$50,000 for transfer after costs for 1978-1979 have been determined; and 2) direct the institutions to submit to the Board Office after October 1, 1978 a report on 1978-1979 health insurance costs so that interinstitutional transfers can be made. Mrs. Belin seconded the motion.

Regent Bailey stated a concern about the transfer of funds between the institutions. He asked for clarification as to when a shortage for a given project is considered to be an internal institutional problem as opposed to being considered a Regents-wide problem. He explained that he viewed such transfers as an anti-efficiency type of problem. He said that some institutions save more money than others and then may have to turn around and transfer it to other institutions. He made specific reference to utilities savings. He also stressed the importance of equality.

Mr. Richey noted that savings can accrue in two ways: 1) energy savings by the respective institution, and 2) an error in calculation in terms of what the anticipated need will be. With respect to the health insurance estimates, he said the inaccuracy was due to calculation error. Mr. Richey reported that the board has felt its responsibility to coordinate the institutions. Regent Bailey said he feels the formulas used to calculate equity among the institutions are changed when the transfer of savings is made from one institution to another. Mr. Richey responded by saying the transfer actually does just the opposite. He said when errors are made in calculation, the transfer merely substantiates the original policy.

Regent Bailey asked which funding categories are used most often with respect to interinstitutional fund transfers. Mr. Richey responded that health insurance, fuel and purchased electricity, and capital appropriations are most frequently used as transfer monies. He noted, for example, that if Iowa State University saved \$100,000 on a capital project, that money would go back to the Regents' fund to be reallocated, possibly, to another institution.

President Petersen commented that the estimation of institutional income is very difficult but she stated that the institutions, as a matter of fact, have not experienced more than 2% to 3% variance in those estimates. Mr. Richey stated that he did not feel those estimates were even that far from what was actually recorded as income.

President Parks said that the system with respect to estimating institutional income ought to be watched. He said that inherent in the system is a reward for those who underestimate and penalty for those who overestimate income. There is nothing pro or con for those which are correct in their estimates. He noted that while that may be the best way to operate, he encouraged some awareness of this matter. Another point highlighted by President Parks involved the fact that even if estimates are exactly as predicted, the amount of income is automatically deducted from the appropriation level.

Regent Shaw expressed reservations with respect to the insurance changes that affect the State University of Iowa and Iowa State University effective July 1, 1978. It was noted that the two universities are including changes to their disability insurance coverage in the 1978-1979 preliminary budget. The University of Iowa did not propose to make any changes in its current disability insurance coverage. The change proposed at the University of Iowa is to extend the coverage to handle the salary levels of the highly paid medical faculty. The proposed \$60,000 salary ceiling to be covered by disability benefits will continue to exclude a few highly-paid medical faculty. At Iowa State University, the proposed salary ceiling of \$60,000 will extend benefit coverage to all institutional personnel. The proposed changes were summarized as follows:

	<u>Present Plan</u>	<u>Proposed Plan</u>
<u>SUI</u>		
Salary Covered	\$30,000	\$60,000
Inflation Escalator	CPI or 5% whichever is lower	CPI or 5% whichever is lower
Benefit rate	70%	70%
Benefits	Net of Social Security	Net of Social Security
<u>ISU</u>		
Salary Covered	\$48,000	\$60,000
Inflation Escalator	None in effect	CPI or 5% whichever is lower
Benefit Rate	75% of first \$12,000; 60% thereafter	75% of first \$12,000; 60% thereafter
Benefits	Net of Social Security	Net of Social Security

The board was informed that the cost of the change at the State University of Iowa is expected to be \$56,000. The administration has indicated that dividends will reduce the cost to about \$30,000 for the first year and even less in future years. Iowa State University's cost of the proposed coverage is approximately \$300,000. The cost increase is due primarily to adding the inflation escalator to benefits. The inflation escalator increases

GENERAL
May 18, 1978

benefits, keeping pace with the current inflationary trend. At Iowa State University, under the present plan, benefits are fixed and do not change even though inflation continues to increase the price level.

Regent Shaw stated that disability insurance was offered in the early part of the century and up to the depression. In the 1930s, however, the insurance companies discontinued providing for disability insurance coverage as experience proved unsatisfactory. He said at that time there were a lot of questions as to whether a person was actually disabled or was unemployed. There was a period during the years 1955-1960 when no disability insurance was provided at all. Regent Shaw said there are many long-term questions to be considered when disability insurance is discussed.

Regent Shaw said he did not consider it to be reasonable to raise the disability insurance benefit at the University of Iowa, for example, from \$30,000 to \$60,000 level. He said he did not feel it would be desirable for the state to undertake an obligation to guarantee a person approximately 70% of their income. He said we are now living in an age of inflation escalating at such a high rate that guaranteeing such high salaries will not be possible. He said that while everyone sympathizes with disabled individuals, those individuals must realize that they may have to make some life style changes to adjust to the lower income.

Regent Shaw said the board could be subject to some criticism in that the proposals really only affect disabled people in the higher salary brackets. He noted, however, that Social Security benefits provide very substantial portions of income for persons in the lower salary ranges.

Regent Shaw commented with respect to adjusting disability benefit insurance due to inflation. He said that the average pension is about 15 years. A "rule of thumb" in actuarial science indicates that when a pension payment is adjusted by 1% a year, the total cost for pension will be increased by 10%. Regent Shaw reported that to increase the pension by 5%, then, should be carefully considered and should not be entered into lightly.

Regent Shaw indicated that Regents' employees should see "the whole picture" in that even though the board may not be changing fringe benefits, very increased costs are being experienced in the pension area. He stated that, on the average, university faculty contributed \$1,070 annually during the past three years to Social Security. Under the proposal now before the board, that contribution will increase to \$1,975, almost a 100% increase in three years. Regent Shaw said he felt the board should participate more in the development of the fringe benefit aspects of employment.

President Parks responded to Regent Shaw's comments by saying that at the present time there is not one person on the Iowa State University staff who makes \$60,000. He noted that 60% of that figure, then, would not be realized at the university at the present time in the event that one of the staff became disabled. President Parks also noted that he strongly supports a cost-of-living increase for persons who are unfortunate enough to be on disability leave. He said that the university has some persons who have gone on disability insurance at age 30 with a family to support. With that compensation continuing at the same rate as several years ago, it becomes harder and harder to live. He added that the Social Security benefit is subtracted from the total benefit, also.

Vice President Jennings stated that Regent Shaw was right in that the proposed change in disability payment at the University of Iowa would affect its higher paid faculty and staff more than the lower paid faculty and staff. He stated that the disability payments in the University of Iowa's professional schools, primarily, are paid from other than state money. He said that federal grants, practice plans, and general earnings supply those funds. Vice President Jennings further stated that the state would be paying a very small portion of the proposed increase. He clarified comments made earlier in that the 70% ceiling of income proposed for disabled persons would include the Social Security benefits.

Vice President Jennings indicated that the University of Iowa has a waiting period in its disability program. He said that a very long period of employment at the university is required before some persons would be eligible for the 70% benefit. He said that "graduating" takes care of most of the potential problems for abuse. He noted that of the 9,000 faculty and staff on the University of Iowa campus, only 124 are actually taking advantage of disability benefits. He emphasized that the pension plan is substantially different than the disability benefit program.

Vice President Jennings commented that while the board was considering disability benefits it should keep in mind that it was referring to a very low risk item. He reported that the University of Iowa has very few claims in the \$30,000 to \$60,000 salary bracket. The reason for proposing that coverage be extended further into that range was to cover more faculty and staff at 70% of total salary.

Regent Shaw asked if the proposals to change the health insurance policy for Iowa State University would affect collective bargaining. He said he does not feel it would be desirable to change fringe benefits or wages of those persons involved in collective bargaining unilaterally even though it may be to their advantage.

Assistant Vice President Madden commented that both Iowa State University and the State University of Iowa have consulted with representatives around the state with respect to the proposals' impact on collective bargaining and those bargaining representatives have concurred with the proposals. In fact, Assistant Vice President Madden said those bargaining representatives felt the proposals would help in the bargaining processes rather than hinder same.

Assistant Vice President Madden reported that the group insurance program at Iowa State University includes all eligible university employees including those in bargaining units and professional and scientific staff that are not. All of the programs are under a single disability program. Assistant Vice President Madden stated that Iowa State University has been studying the cost-of-living escalator for the last several years. He said that the university's insurance committee has made a lot of recommendations with respect to insurance coverage and through the university's disability program and life insurance program higher dividends have been received than anticipated. He said that those dividends will be used as a source of funding for the proposed insurance changes.

GENERAL
May 18, 1978

Regent Shaw expressed concern that not only the public sector but the private sector, as well, has problems with pension plans. He reported that United States Steel can not close an inefficient plant it would like to close due to the loss it would suffer through pension payments. Regent Shaw said the board should, so far as practical, limit itself to paying a certain amount of dollars a certain amount of years with respect to pension rather than paying a benefit for an indefinite future period of time. He stated that Social Security benefits have caused the pension program to be largely obsolete, in fact.

Assistant Vice President Madden reported that Iowa State University's disability coverage does have a rehabilitation requirement. He said that cost control procedures facilitate the transfer of disabled personnel into productive activity again as soon as possible.

Regent Shaw asked where the Regents' institutions stand in general as to guaranteeing disability benefits. Assistant Vice President Madden responded that programs have been defined to meet certain concerns. While there has been no state commitment on the fixed number of dollars available for this particular program, three years ago the state moved to provide full cost for long-term disability programs. He said that what the Regents' institutions are doing is not inconsistent with what the state is doing for other employees. Regent Shaw commented that the trend among private employers is that disability insurance is provided with the alternative to cut benefits where need is less and increase benefits where necessary, also.

President Kamerick reported that the University of Northern Iowa's disability plan provides a benefit rate of 75% of the first \$1,000 a month up to \$12,000 a year. The university provides 60% of salary from \$12,000 to \$27,000. The maximum benefit paid for disabled persons by the University of Northern Iowa is \$1500 per month from which the Social Security contribution is subtracted. President Kamerick indicated that the University of Northern Iowa's disability program extends to age 68 whereas Iowa State University and the State University of Iowa have programs that end at age 65. President Kamerick commented that at the present time disability insurance costs the university approximately \$37,000 in addition to the state's contribution. He noted that the period between age 65 and age 68 is very expensive in terms of disability insurance payments.

Mr. Richey raised the point that most of the employees affected by the disability insurance proposals before the board were precisely the ones for whom a different state salary policy was applied during this biennium. He noted that the proposals were consistent with that difference in treatment.

Mr. Richey pointed out most of the employees affected by the disability insurance proposals before the board were precisely the ones for whom a different state policy was applied during this biennium. He noted that the proposals were consistent with that difference in treatment.

BOARD OFFICE PRELIMINARY BUDGET FOR FISCAL YEAR 1978-1979. Mr. Richey reported that more specific information on allocations of appropriations from the State Comptroller's Office was necessary before the Board Office's preliminary budget could be submitted for board approval. Mr. Richey said he has a great deal of uncertainty as to what those financial appropriations will be.

REPORT ON BUDGET PREPARATION. The Board Office reported that the Inter-institutional Committee on Budget Preparation for the 1979-1981 biennium has been meeting under the chairmanship of President Boyd. The time schedule of the committee is to have the budget requests of the institutions ready for preliminary review by the Board Office in early September and initial consideration by the board at its September meeting. Final consideration of the budget requests would be before the board for decision at its October meeting.

SEMI-ANNUAL REPORT OF BOARD OF REGENTS' PURCHASING COMMITTEE. The board was requested to accept the semi-annual report of the Board of Regents' Purchasing Committee.

The report presented the board contained statistical information for the period July 1, 1977 through December 31, 1977 and narrative reports from the institutions covering the period October 1977 into April of 1978. The following highlights were reported:

- Worked with the State Vehicle Dispatcher in a cooperative effort which led to the purchase of 161 vehicles from two bid openings held by the State Vehicle Dispatcher. A policy statement was drafted by the committee and adopted by the board to govern purchase and disposal of motor vehicles by the Regents' institutions during the 1978 model year.
- Awarded the joint contract on large lamps for calendar year 1978.
- Considered the possibilities leading to issuance of a state credit card for use by Board of Regents' institutions in purchase of gasoline vehicles.
- The committee has devoted a great deal of time to furtherance of a good working relationship with Iowa State Industries. The volume of purchases made from Iowa State Industries is substantially increased over prior years.
- The committee took initial steps toward development of a policy on pre-payment of purchase orders by the Regents' institutions.

The statistical information provided the board showed a steady increase in activity for the first six months of 1977-1978 when compared to the similar period of 1976-1977. The total dollar activity for purchasing is up 5.4% this year as compared to last. Cash discounts realized by the institutions through prompt payment of invoices are up approximately 23% over the same period.

Regent Belin commended the Purchasing Committee and agents for the savings they have accomplished over the past six months. Regent Harris concurred with Regent Belin. He then inquired as to whether there is interinstitutional cooperation with regard to purchasing activities. Vice President Jennings assured Regent Harris of that cooperation.

In absence of objections, President Petersen accepted the semi-annual report of the Board of Regents' Purchasing Committee with commendation and continued praise for the work of the committee.

BOARD OFFICE PERSONNEL REGISTER. The following actions were presented for board approval:

Merit Increase:

Pauline K. Van Ryswyk, Secretary III, to \$11,076 annually after annual merit evaluation, effective April 14, 1978.

Position Change and Reclassification

Position of Classification Analyst be changed to Classification Program Administrator with expanded duties and responsibilities and that the position be reassigned from pay grade IV (\$13,780 - \$19,110) in the Board Office Professional Pay Plan to grade V (\$15,028 - \$21,034). Such reassignment is indicated by a point count evaluation of the proposed new position.

Incumbent Classification Analyst, Mary Shaw, be reclassified and promoted to the new classification at an annual salary of \$15,158, which represents a five percent increase (rounded to the nearest number divisible by 26) over present salary of \$14,430. The five percent increase is consistent with that provided in the merit rules for a one-grade promotion.

Abolishment of the position of Classification Analyst

MOTION:

Mr. Harris moved the board approve the actions recommended in the Board Office Personnel Register for the month of April 1978 as shown above. Mrs. Belin seconded the motion and it passed unanimously.

REPORT ON IMPACT OF MINIMUM WAGE ON STUDENT WORK OPPORTUNITIES. The universities provided the board with information relating to the minimum wage law and student employment opportunities. In brief, the following information was presented:

University of Iowa

No noticeable change in the number of openings available to students has occurred. The minimum wage has increased from \$1.25 to \$2.90 over a ten year period and there are usually more positions available than students seeking employment.

Iowa State University

Effective July 1, 1978, Iowa State's minimum wage will increase 25¢, to \$2.45 an hour. The university expressed anticipation of eventually increasing the student hourly wage to meet the federal minimal requirements. Some areas of the university do pay the minimum wage but the others will

continue to strive to attain that goal. The changes in the federal minimum wage do not pose a major problem on the campus.

University of Northern Iowa

The university has adopted the minimum wage rate pattern and will resume that practice as of July 1, 1978. The students presently employed work an average of 35 hours per month at an estimated hourly rate of \$2.40 per hour. A total of \$55,902.00 appropriated to permit the student employee compensation schedule to be realigned to the federal minimum wage can be utilized to increase earnings for currently employed students or expended to place 90 additional student employees by reducing the present number of assigned working hours. The scheduled increases in the federal minimum wage and the decreasing funds available for college work-study employment will necessitate a continuing review of the university student employment compensation practices.

Regent Harris asked if a problem would be involved if the board adopted a policy that would require minimum wages even though the Supreme Court has ruled that state and local government agencies are exempt from the federal minimum wage requirements. Assistant Vice President Madden responded that a money problem would, indeed, be involved. He reported that Iowa State University has been trying to move in that direction but due to financial difficulties has not been able to do it.

President Parks reported that the library at Iowa State University presents a particular concern to the university in that the higher salary paid to students in order to conform to the minimum wage, the fewer hours the library can be open to other students. President Parks commented that he has not been provided a reason, as yet, as to why the university received a reduction last year in the amount of general expenses generally provided to the university. He said that added to the complicated situation with respect to student employment salary levels.

Vice President Thomas Thielen, Iowa State University, reported that the university's Memorial Union and Department of Residence pay a little more to their student employees than \$2.45 per hour.

MERIT SYSTEM PAY PLAN PUBLIC HEARING. The Board Office reported that the annual public hearing on proposed adjustments in the Regents Merit System Pay Plan was scheduled for 8:00 p.m. this evening in the Carver Hall Auditorium on the Iowa State University campus. A summary of the proposed revisions follows:

- I. Pay matrices will be adjusted in accordance with the provisions of House File 634 and approved collective bargaining contracts.
 - A. For employees not covered under collective bargaining contracts: Pay steps below \$13,200 are increased by 6%; steps at and above \$13,200 are increased by 5%; all figures are rounded upward to the nearest dollar divisible by 26.
 - B. For blue collar employees: All steps in the current matrix are increased by the annual equivalent of 32¢ per hour rounded to \$666 per year.

- C. For security employees: All steps in the current matrix are increased by 3% plus \$356 per year.
- D. For technical employees: Pay steps below \$13,200 are increased by 6%; steps at and above \$13,200 are increased by 5%; all figures are rounded upward to the nearest dollar divisible by 26.
- II. Classification and pay plans will be revised to reflect changes in the organization of work. Three new classes are recommended: Senior Orthotist, pay grade 412; Public Safety Dispatcher, pay grade 308 and Parking Control Supervisor, pay grade 108. Changes in pay grade assignments are recommended as follows: Offset Equipment Operator II from grade 205 to 206; X-Ray Technician I from 406 to 407; Chief Parking Cashier from 106 to 108. Other proposed revisions include the deletion of unused classes and a number of title changes. Other changes resulting from studies currently in process will be noted at the hearing.
- III. Advanced starting salaries currently in effect for some classes have been reviewed, and some changes are recommended in accordance with established policy for determining advanced starting rates. In addition, a number of revisions in the Merit Rules are recommended to comply with changes in law and to remedy operational problems and better meet the needs of the institutions and employees.

President Petersen reported that Regents Bailey, Wenstrand and herself would be present at the hearing this evening. It was noted that final recommendations on the proposals would be presented for board review and action at its regular meeting in June.

NEXT MEETINGS.

June 7 - 11 a.m.	University of Iowa	Iowa City
June 15-16	Lakeside Laboratory	Milford
July 20-21	University of Northern Iowa	Cedar Falls
September 21-22	University of Iowa	Iowa City
October 17-18	Iowa State University	Ames
November 16-17	Iowa School for the Deaf	Council Bluffs
December 20-21	University of Northern Iowa	Cedar Falls

LONG-RANGE PLANNING SEMINARS.

May 31	Iowa State University	Ames
June 6 - 1 p.m.	University of Iowa	Iowa City
June 7 - 9 a.m.	University of Iowa	Iowa City
July 19	University of Northern Iowa	Cedar Falls

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to general or miscellaneous items.

GOVERNING BOARD STRUCTURES. Regent Shaw reported that Harvard College has a very unusual governing board structure. He said that the "board of overseers" has a full set of visiting committees. He said those visiting committees advise the board regarding various departments. Regent Shaw suggested the board consider such a concept and recommended that persons from the American Bar Association, for example, be on committees to work with the university's law school. Regent Shaw said the board should be finding out what it is doing and what it could be doing with respect to providing the best possible governance situation for its institutions. He said such "vitality" would tend to keep the respective departments and colleges up to date.

President Parks said that Iowa State University has an advisory committee to every one of its college deans and has been, therefore, using the system Regent Shaw suggested for years. He said that members of those advisory committees would be pleased to report to the board on their work.

President Boyd reported that the State University of Iowa follows a similar format to that used at Iowa State University with respect to advisory committees although its system is not as formalized. He added, however, that he did not feel the board needed to have a "visiting committee," per se for each of the college deans. He said the board can do that in different ways as it seems best. President Boyd reported that while it is important to have the kind of interchange proposed by Regent Shaw, the board must realize that it has the ultimate responsibility for the universities' governance. He added that there have been occasions where a decision to maintain board authority rather than delegating it has prevailed because of that ultimate responsibility placed on the Board of Regents.

Regent Shaw said he felt the board could benefit from the concept utilized by Harvard College. President Boyd reported that he felt there were distinct differences between Harvard College and the board's institutions. He said Harvard College serves the nation whereas the board's institutions serve the state as well. He said the Board of Regents has representation at its institutional convocation ceremonies, etc. Regent Shaw said that while he did not advocate Harvard College's concept, he felt the board should investigate the benefits of it.

President Parks said that the formal and informal contacts with official representatives of the respective colleges and the faculty of those colleges are useful in that those contacts provide useful information and interaction to the appropriate persons involved.

President Kamerick reported that the University of Northern Iowa has nine or ten groups which exercise varying degrees of jurisdiction and contribute in varying ways to the university. He said the university's procedure is a little different than the procedure sometimes used utilizing outside evaluation of departments.

Mr. Richey indicated that Iowa's governing board structure would be studied and docketed at a future date.

MENTAL HYGIENE COMMITTEE MEETING REPORT. Regent Bailey reported orally on the most recent Mental Hygiene Committee meeting before the board. He stated that \$34,000 was allotted by the committee to several projects.

GENERAL
May 18, 1978

Regent Bailey stated that standards have now been adopted which are the responsibility of the Mental Health Authority, the operating arm of the Mental Hygiene Committee. He said the standards are to be used as mandatory requirements in order for the Mental Health Centers to be respectively accredited. He said that accreditation process is underway and will be culminated very soon.

Regent Bailey raised a concern as to whether the Mental Health Authority and the Mental Hygiene Committee should actually be under the direction of the Board of Regents. He reported that the two groups' existence has been repealed effective July 1, 1979. They, presumably, will be replaced by an advisory committee of some kind. President Petersen stated that this change will lead to a more improved pattern of services but will still recognize the functions of those groups.

Regent Belin asked about the composition of the membership of the proposed advisory committee. Regent Bailey responded by saying a "mix" of persons (lay persons as well as professional) will comprise the advisory committee. Its members will be appointed by the Governor subject to confirmation by the Senate.

EXECUTIVE SESSION. President Petersen reported that the board needed to enter into executive session to discuss the following matters: legal matter at the State University of Iowa, personnel matter at Iowa School for the Deaf, a personnel matter raised by President Petersen, and strategy in regard to collective bargaining. On roll call vote as to whether to enter into executive session, the following voted:

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

NAY: None.

ABSENT: Barber.

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 5:45 p.m. and arose therefrom at 8:07 p.m. Further discussion of collective bargaining strategy was to be continued the evening of May 30th at Iowa State University.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, May 18, 1978.

PRELIMINARY BUDGETS FOR 1978-1979. The Board Office recommended the board: 1) approve the following preliminary budgets as proposed by the State University of Iowa:

General University	\$103,384,000
University Hospitals	71,199,000
Psychiatric Hospital	5,394,000
State Hygienic Laboratory	1,946,000
Hospital School	2,937,000
Oakdale Campus	1,771,000

2) approve a 9.9% rate increase for the University and Psychiatric Hospitals; 3) approve the resolution (presented the board) in support of the National Voluntary Cost Containment Program; and 4) declare intent for University Hospitals' participation in the Voluntary Rate Approval Program for the state of Iowa, when such program is activated.

The board was presented explanatory and illustrative exhibits by the State University of Iowa pertaining to the 1978-1979 preliminary budgets. Those exhibits are on file at the Board Office. The Board Office highlighted each organizational unit and a summary of same follows:

General University

Institutional Income: The following table shows the institutional income components during the 1977-1978 and 1978-1979 budgeting process.

<u>Income Source</u>	<u>1977-78 Budget</u>	<u>Adjusted 1977-78 Budget</u>	<u>Proposed 1978-79 Line Budget</u>	<u>Basis for 1978-79 Legislative Calculation</u>
Student Fees	\$18,686,000	\$18,823,000	\$19,157,000	\$18,957,000
Sales and Services	61,000	61,000	61,000	61,000
Other Income	<u>6,128,000</u>	<u>6,478,000</u>	<u>5,478,000</u>	<u>5,128,000</u>
TOTAL	<u>\$24,875,000</u>	<u>\$25,362,000</u>	<u>\$24,696,000</u>	<u>\$24,146,000</u>

The following table summarizes the tuition income for the appropriation bill calculation and for the proposed line budget:

	<u>Appropriation Bill Calculation</u>	<u>Proposed Line Budget</u>
1977-78 Budget,	\$18,686,000	\$18,686,000
10% Tuition Increase for 1978 Summer Session	134,000	134,000
Enrollment Increase - 1977-78	<u>137,000</u>	<u>137,000</u>
Subtotal	\$18,957,000	\$18,957,000
Enrollment Increase - 1978-79	<u>\$ 123,000</u>	<u>\$ 200,000</u>
Total Estimate	<u>\$19,080,000</u>	<u>\$19,157,000</u>

The university called attention to three items within the salary categories: social security increase costs, health insurance costs, and disability insurance costs.

The Board Office recommended that the preliminary budget for the General University in the amount of \$103,384,000 be approved subject to review of the institutional income items when the fall 1978 enrollment is known.

University and Psychiatric Hospitals

Budget policy for the University and Psychiatric Hospitals is impacted by the National Voluntary Cost Containment Program and the Voluntary Rate Approval Program for the state of Iowa.

The National Voluntary Cost Containment Program calls for individual states to form voluntary cost control committees for the purposes of: 1) reducing the rate of increase in total nationwide hospital expenditures by 2% per year from 16% in 1977 to 14% in 1978 and 12% in 1979, and 2) curtailing total nationwide increases in capital investment in hospitals to 80% of the price adjusted average annual expenditure level for the three-year period of 1975 through 1977.

The Voluntary Rate Approval Program for the State of Iowa is designed to comply with the National Voluntary Cost Containment Program. Aggregate rates are defined and are to be based on total financial requirements including replacement of capital facilities. Aggregate rates relate to admissions and patient days with adjustments for out-patients. The program is to be implemented after July 1, 1978, which would affect the University and Psychiatric Hospitals beginning with the 1979-1980 fiscal year.

The university reported that it intends to discuss the Voluntary Rate Approval Program for the state of Iowa in more detail with the board when it has been finalized.

Preliminary Budgets

The budget for the University Hospitals was based on the total patient days continuing at the same rate of 302,000 for 1978-1979 as for 1977-1978. However, the indigent patient days are estimated to decline from 80,000 to 78,900 and the corresponding percent of the total would decline from 26.5% to 26.1%.

The general expense budget for the University Hospital may represent a severe problem inasmuch as general expense increases have averaged approximately 15% during recent years and the proposed budget includes an increase of 6.8%.

The Psychiatric Hospital budget was based on an additional \$69,000 derived from private patient income and includes the \$75,000 for mental health research which was previously provided as a standing appropriation.

The Board Office stated that if the budgets for the University Hospital and the Psychiatric Hospital were added together, they would represent an increase of 9.9% over the adjusted 1977-1978 budget with the \$75,000 for mental health research included in both years. In view of the efforts to minimize direct federal involvement and control of hospital operations, the Board Office recommended that the board support those programs by approving a resolution in support of the National Voluntary Cost Containment Program and by declaring intent for the University and Psychiatric Hospitals' participation in the Voluntary Rate Approval Program for the state of Iowa.

Hospital School

The Board Office stated that the proposed budget for the Hospital School is in accordance with the budget based on appropriations bill calculations.

State Hygienic Laboratory

The State Hygienic Laboratory budget showed institutional income of \$475,000 as compared with \$500,000 which served as a basis for the appropriations bill calculations. The institutional income was based on continuation of the present fee structure for laboratory analysis for which fees are allowed by statute. As a result of internal studies by the institution and cost inflation, it may be expected that a change in the fees may be brought to the board for consideration early in 1978-1979.

Oakdale Campus

The Oakdale Campus proposed budget of \$1,771,000 agrees with that based on the appropriations bill calculations. The proposed budgets for the State Hygienic Laboratory, Hospital School and Oakdale Campus were found to be in order by the Board Office.

MOTION:

Mr. Harris moved the board: 1) approve the following preliminary budgets as proposed by the State University of Iowa:

General University	\$103,384,000
University Hospitals	71,199,000
Psychiatric Hospital	5,394,000
State Hygienic Laboratory	1,946,000
Hospital School	2,937,000
Oakdale Campus	1,771,000

2) approve a 9.9% rate increase for the University and Psychiatric Hospitals; 3) approve the resolution (on file in the Board Office) in

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

A. Appointment

Ruth A. Brandwein as Director of the School of Social Work for a five-year term, effective August 28, 1978, at a 12 month salary of \$39,000.

B. Resignation

Thomas H. Walz as Director of the School of Social Work effective August 27, 1978. He will remain on the faculty of the School of Social Work.

MOTION: Mr. Bailey moved the board approve the transactions as shown above. Mrs. Belin seconded the motion and it passed unanimously.

APPOINTMENTS. The board was requested to approve the following appointments as departmental executive officers in the College of Education. All appointments would be effective July 1, 1978 and would be for a three-year term.

Jerry N. Kuhn, as Chairman, Division of Early Childhood and Elementary Education

Alan R. Frank, as Chairman, Division of Special Education

Robert E. Engel, as Chairman, Division of Post-Secondary and Continuing Education

E. Richard Dustin, as Chairman, Division of Counselor Education

John E. McAdam, as Chairman, Division of Secondary Education

MOTION: Mr. Bailey moved the board approve the appointments as departmental executive officers in the College of Education effective July 1, 1978 for a three-year term as shown above. Mr. Harris seconded the motion and it passed unanimously.

CALENDAR FOR 1979-1980. The board was requested to approve the proposed 1979-1980 calendar for the University of Iowa pending the addition of a ninth holiday.

The Board Office indicated that the calendar for 1979-1980 as proposed was similar to those approved for previous years. The university has designated eight holidays from the beginning of the school year on August 27, 1979, through the same date in 1980. State law requires nine holidays a year; seven as designated by the Code and two to be designated, in the case of Regents' institutions, by the institution.

Assistant Vice President Small reported that the State University of Iowa has designated its ninth holiday to be a personal holiday.

MOTION: Mrs. Belin moved the board approve the 1979-1980 calendar for the State University of Iowa as presented. Mr. Harris seconded the motion.

Regent Bailey asked if there are written regulations pertaining to the number of days a university must hold classes. He made specific reference to examination periods and orientation periods and how they fit in to the total educational time frame. President Boyd responded that the number of days of instruction with or without time off for examination and orientation is a judgmental issue. He noted that the institution has, however, maintained the same number of educational days requirements as 23 years ago.

Vice President Christensen, speaking for Iowa State University, stated that the university does not have a specific number of days required for instruction. He noted that there is no "formal" standard established and commented that if a program is accredited, it is meeting the necessary guidelines for that program.

Regent Shaw commented about the month-long Christmas break for students. He noted that some persons feel that period of vacation is too long in that there is not sufficient time to warrant employment of any duration and too much time to cause boredom. He made specific reference to the length of vacation experienced during the university's semester system as compared to Iowa State University's quarter system.

VOTE ON MOTION: The motion passed unanimously.

SPECIAL SECURITY OFFICER. The board was requested to commission Michael Barcus as permanent special security officer at the University of Iowa.

Michael Barcus has been a full-time member of the Department of Security and Parking since December of 1977. He completed the Iowa Law Enforcement Academy ten-week recruit course on April 21, 1978.

MOTION: Mr. Brownlee moved the board commission Michael Barcus as permanent special security officer at the University of Iowa. Mr. Bailey seconded the motion and it passed unanimously.

ANNUAL REPORT OF THE MODEL REGIONAL PRIMARY CARE PROGRAM. The board was requested to accept the 1977 annual report of the Model Regional Primary Care Program.

The Board Office reported that in 1974, the University of Iowa College of Medicine proposed the development of a Model Regional Primary Care Program that would demonstrate a method for revitalizing rural primary medical resources and provide comprehensive medical care in a rural region. The program would also include educational activities, community health programs, evaluation, and replication of some elements.

In January of 1976, a three-year grant of \$434,400.00 from the W. K. Kellogg Foundation, the College of Medicine established a Model Regional Primary Care Program at Red Oak, a rural community in southwest Iowa. During the first year of its operation in 1976, the model program established an active medical service unit at a new Family Care Center in Red Oak.

Regent Belin noted that the primary care checklist developed by the Institute of Medicine, National Academy of Sciences, June 1977, includes as a goal to have the estimated average waiting time for patients with appointments be 15 minutes in the Family Care Center. She added that this was an essential point to the provision of primary care. She commended the institution on initiating such policy. Regent Harris, speaking for physicians, reported that there are several factors that cause delays for patients in doctors' offices. He mentioned two in particular: doctors' emergencies and patients who ask for medical advice for their relatives or friends in addition to requesting treatment for their own ailment. He emphasized that the doctor's role in reduction in waiting periods for patients can not always solve the problem.

MOTION: Mr. Harris moved the board accept the 1977 annual report of the Model Regional Primary Care Program. Mr. Bailey seconded the motion and it passed unanimously.

INTRODUCTION. President Boyd introduced Mr. Donn Stanley, president of the student body and Mr. John Frew, vice president of the student body.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of May 1978 had been received by him, was in order, and recommended approval.

The following construction contract awards were recommended for ratification:

Halsey Gymnasium -- Areaway Wall Repairs

Award to: Burger Construction Company, Iowa City, Iowa \$38,760.00

North Hall Site Development -- Phase II

Award to: Parkview Company, Iowa City, Iowa \$58,888.88

Roy J. Carver Pavilion -- Interior Completion of Orthotic Service and Rehabilitation Support Area

Awards to: O.F. Paulson Construction Company, Cedar Rapids, Iowa (General) \$66,300.00
Jones Plumbing and Heating, Iowa City, Iowa (Mechanical) \$81,400.00
Acme Electric Company, Cedar Rapids, Iowa (Electrical) \$16,824.00

Roy J. Carver Pavilion -- Access Roads and Parking Ramp #2 -- Site Development -- Phase II

Award to: Pleasant Valley Orchards and Nursery, Inc., Iowa City, Iowa \$33,790.39

The irregularity with the receipt of the single bid on the above project was waived since:

1. Bidding documents were sent to five contractors and distributed to seven plan exchanges. The decision not to bid was evidently the bidder's choice.
2. The single bid was evaluated and was below engineer's estimate for the contract.

The following revised project budget was presented for approval:

King Parasitology Laboratory Addition, Iowa Lakeside Laboratories
Source of Funds: National Science Foundation Grant (\$45,000) \$60,265.00
University RR&A for Lakeside Laboratory (\$15,265)
(Original budget \$45,000)

The board was reminded that no bids were received through public advertising on this project. The board in October of 1977 authorized the university to solicit quotations from contractors in the vicinity of Lakeside Laboratory. This revised budget incorporates the low quotation resulting from these solicitations. The reason for the increase is both inflationary pressures and the lack of competitive bidding conditions in the area.

The following new projects were recommended for approval:

University Hospitals -- Seventh Floor East and Mechanical Room Remodeling
Source of Funds: University Hospital Building Usage Funds \$23,300.00

Iowa Memorial Union -- Replace Floor in Main Lounge
Source of Funds: Memorial Union Reserve for Depreciation and Replacement \$18,000.00

Hydraulics Research East Annex -- Replacement of Roof and Supporting Structure
Source of Funds: Income from Treasurer's Temporary Investments \$78,000.00

University Hospitals and Clinics -- Hospital School Dental Clinic Expansion
Source of Funds: Hospital School Building Usage Fund \$41,200.00

University Hospitals and Clinics -- Hospital School Conference
Room Remodeling

Source of Funds: Hospital School Building Usage Fund \$63,200.00

Chemistry-Botany Building -- Remodeling Chemical Storage Areas

Source of Funds: University RR&A \$158,800.00

The above project is part of the process to eliminate the most serious fire safety deficiencies in this building.

MOTION:

Mr. Harris moved the board approve the Register of Capital Improvement Business Transactions for the month of May 1978; ratify the construction contracts approved by the executive secretary as shown above; approve the revised project budget; approve the new projects; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

GENERAL EDUCATIONAL FUND BUDGET INCREASE FOR 1977-1978. The Board Office recommended the board: 1) waive its action of September 1976 establishing a restricted account as a reserve against future losses of reimbursed indirect costs and 2) approve the proposed 1977-1978 General Education Fund budget increase of \$487,000 to \$96,004,513.

The Board Office reported that the budget for 1977-1978 of \$94,381,093 was approved by the Board of Regents at its July 1977 meeting. Subsequently, the budget was increased by \$1,136,420 to \$95,517,513 to incorporate state funds as replacement for federal funds losses. The University of Iowa proposed to increase the 1977-1978 budget by an additional amount of \$487,000 which consists of \$350,000 of estimated increases of reimbursed indirect costs and \$137,000 of tuition and fees due to increased enrollments and miscellaneous fees.

The university expressed concern about potential losses in recovery of indirect costs and proposed in its preliminary budget material for 1978-1979 to retain \$350,000 in a reserve account against losses due to current federal proposals for changes in the costing techniques. These changes could substantially reduce reimbursements for indirect costs.

The Board Office recommended that the estimated increase in indirect cost recovery of \$350,000 for 1977-1978 be expended for the nonrecurring purpose of remodeling the chemistry laser laboratory and Eastlawn. The \$137,000 increase in net income from tuition and fees over the original budget should be added to the budget for 1977-1978. Expenditures from this source for visiting professors in the College of Business Administration is appropriate.

It was noted that underestimating tuition income which results in a corresponding increase in appropriations causes interinstitutional concern. Whenever tuition income decreases, the budget should be reduced accordingly before developing the next request for appropriations.

MOTION:

Mr. Slife moved the board: 1) waive its action of September 1976 establishing a restricted account as a reserve against future losses of reimbursed indirect costs and 2) approve the proposed 1977-1978 General Education Fund budget increase of \$487,000 to \$96,004,513. Mr. Harris seconded the motion and it passed unanimously.

RESOLUTION FOR A PUBLIC HEARING ON AN ACADEMIC REVENUE BOND FUNDED PROJECT. The board was requested to adopt a resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Contract 2, General Construction - University Hospital Electrical Substations on the campus of the State University of Iowa and for a notice to contractors of bidding thereon. This hearing is scheduled to occur at 3:00 p.m., Central Daylight Savings Time, on Thursday, June 15, at Lakeside Laboratory, Milford, Iowa. Bids on Contract 2 are scheduled to be received on June 20.

MOTION:

Member Belin introduced and caused to be read the resolution hereinafter set out entitled, "Resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Contract 2, General Construction - University Hospital Electrical Substations on the campus of the State University of Iowa and for a notice to contractors of bidding thereon." Member Belin moved that said resolution be adopted, seconded by Member Harris, and after due consideration by the board, the president put the question and upon roll being called, the following voted:

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

NAY: None.

ABSENT: Barber.

Whereupon the president declared the resolution duly adopted.

HOSPITAL REVENUE BONDS, SERIES 1978. The board was requested to adopt the following resolutions: 1) a resolution authorizing and providing for the issuance and securing the payment of \$12 million Hospital Revenue Bonds, Series 1978, for the purpose of defraying the cost of constructing an addition to the General Hospital on the campus of the State University of Iowa; and 2) a resolution directing the advertisement and sale of \$12 million Hospital Revenue Bonds, Series 1978.

The Board Office reported that the board has been authorized, through Senate Concurrent Resolution 121, to construct an addition of 130,000 gross square feet of floor space, more or less, to the Roy J. Carver Pavilion at an estimated total cost of \$13,135,000, of which not more than \$12,000,000 would be financed by borrowing through the issuance of bonds as authorized by Chapter 263A of the Code. It was the understanding of the

Board Office that the Governor would sign the resolution sometime this week. The Attorney General has ruled that the effective date of this concurrent resolution is the date when final disposition is given to the resolution by the second house of the legislature giving consideration to it. With approval of Senate Concurrent Resolution 121, the board can now proceed through the necessary steps leading to the sale of these bonds.

The current schedule on these bonds and on the project follows:

May board meeting	Adopt resolutions
June 7	Sale of bonds
Before June 30	Pick up of bonds in Chicago
Bids received on project	July 1978
Start of construction	Late summer 1978
Construction completion	June 1980

MOTION:

Whereupon Member Harris introduced and caused to be read a resolution entitled "A Resolution authorizing and providing for issuance and securing the payment of \$12,000,000 Hospital Revenue Bonds, Series 1978, for the purpose of defraying the cost of constructing an addition to the general hospital on the campus of the State University of Iowa," and moved that said resolution be adopted. Member Belin seconded the motion and after due consideration by the Board the President put the question on the motion and upon the roll being called the following voted:

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

NAY: None.

ABSENT: Barber.

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

MOTION:

Whereupon Member Harris introduced and caused to be read a resolution entitled "Resolution directing the advertisement and sale of \$12,000,000 Hospital Revenue Bonds, Series 1978," and moved that said resolution be adopted. Member Wenstrand seconded the motion, and after due consideration the President put the question on the motion and, the roll being called, the following voted:

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

NAY: None.

ABSENT: Barber.

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

LEASE OF PROPERTY BY THE STATE BOARD OF REGENTS. The university requested the board approve a lease agreement for approximately 600 square feet in the south end of the building located at 1300 Locust Street, Des Moines, Iowa, owned by Patrick H. Payton and Helen M. Hearn.

The university reported that the term of the contract would be for 26 months commencing May 1, 1978, and ending June 30, 1980. The rental terms indicated that the tenant would pay the landlord \$345.00 per month for a yearly rental of \$4,140.00 (\$6.90 per square foot). Utilities would be furnished by the landlord.

The property would be used as office space for State Services for Crippled Children, University of Iowa.

MOTION:

Mr. Bailey moved the board approve the lease agreement as described above between the State Board of Regents and Patrick H. Payton and Helen M. Hearn. Mr. Shaw seconded the motion and on roll call the following voted:
AYE: Bailey, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.

NAY: None.

ABSENT: Barber.

The motion carried.

LONG-RANGE PLANNING SEMINAR. President Petersen reminded members of the board of the State University of Iowa's long-range planning seminar to be held June 6 at 1:00 p.m. and continuing through June 7, 1978.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the State University of Iowa. There were no additional matters raised for discussion.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday, May 18, 1978.

PRELIMINARY BUDGET FOR 1978-1979. The Board Office recommended the board approve the proposed budgets of \$86,753,000 for the General University, \$9,837,000 for the Experiment Station and \$10,806,000 for the Cooperative Extension Service.

The proposed budget of \$86,753,000 for the General University consisted of \$63,944,000 of appropriations and \$22,809,000 of institutional income. The Board Office reported the institutional income was sufficiently in accordance with budget for 1977-1978 that a budget adjustment was not required. The proposed budget for 1978-1979 included an increase in institutional income of \$480,000 and differed by \$352,000 from the institutional income used as a basis for the appropriations bill calculations.

The Board Office reported that the proposed budget of \$9,837,000 for the Agriculture and Home Economics Experiment Station consisted of \$7,279,000 of state appropriations and \$2,558,000 of federal appropriations. Some difficulty in budgeting these funds was realized because of a difference between the fiscal year for the federal government and the state government. An additional \$275,000 of funding was estimated based on information from the United States Department of Agriculture. This increase in estimate was not regarded as an understatement of institutional income during the appropriations process because the federal increases in federal research funds are intended to supplement and not supplant state funds. Iowa State University reported continuing concern expressed by federal officials regarding possible substitution of federal funds for state funds.

The Board Office reported that the proposed budget for the Cooperative Extension Service in Agriculture and Home Economics of \$10,806,000 consisted of \$6,679,000 of state appropriations and \$4,127,000 of federal funds based on anticipated Smith-Lever funding. There was no change in the institutional income from that estimated for the appropriations process.

MOTION: Mr. Bailey moved that the proposed budgets of \$86,753,000 for the General University, \$9,837,000 for the Experiment Station and \$10,806,000 for the Cooperative Extension Service be approved. Mr. Harris seconded the motion.

Regent Shaw raised several questions regarding the disability insurance and life insurance programs at Iowa State University. He questioned use of life insurance dividend reserves for disability insurance purposes. One includes employee contributions for a portion of the cost while the other is paid completely by employer contributions. He felt that each program should be independent of the other with respect to premiums covering the cost of benefits. He also questioned the need for an inflationary adjustment for disability benefits, based on the social security adjustments

REGISTER OF PERSONNEL CHANGES. The board was requested to approve Iowa State University's Register of Personnel Changes for the month of April with the following notations.

The register includes promotion of 36 associate professors to professors, 44 assistant professors to associate professors, and 12 instructors to assistant professors effective July 1 for 12-month base and September 1 for 9-month base.

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

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

Robert S. Kahan as Professor and Chairman of Journalism and Mass Communication. The appointment as chairman is to be effective for the period July 1, 1978 through June 30, 1983. Salary \$38,000 per year, 12 months' basis, plus fringe benefits.

MOTION:

Mr. Harris moved the board approve the appointment of Robert S. Kahan as shown above. Mr. Bailey seconded the motion and it passed unanimously.

INTRODUCTIONS. President Parks introduced Iowa State University's new student body president, Fred Schuster, and vice president, Michael Crabb, to the board.

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

Frank E. Haggard as Professor and Chairman of the Department of English. The appointment as chairman is to be effective for the period July 1, 1978 through June 30, 1981. Salary \$29,500 per year, 12 months' basis, plus fringe benefits.

MOTION:

Mr. Harris moved the board approve the appointment of Frank E. Haggard as shown above. Mr. Bailey seconded the motion and it passed unanimously.

The board was presented copies of a letter written by Roger Sage, Iowa State University student, objecting to the appointment above. President Parks reported that Dean Russell of the College of Science and Humanities was present to answer any questions board members might have.

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

Ronald J. Santi as Director of Purchasing and Stores effective July 1, 1978. Salary as budgeted for 1978-1979, 12 months' basis, plus fringe benefits.

MOTION:

Mr. Bailey moved the board approve the appointment of Ronald J. Santi as Director of Purchasing and Stores effective July 1, 1978. Salary as budgeted for 1978-1979, 12 months' basis, plus fringe benefits. Mr. Harris seconded the motion and it passed unanimously.

REQUEST TO CHANGE ACADEMIC CALENDAR FROM QUARTER TO SEMESTER SYSTEM. The university requested the board approve its recommendation to change the academic calendar from the quarter to the semester system as soon as feasible. (The effective date would be reported to the board later.)

President Parks reported that the All-University Community Council voted in March of 1975 to study possible methods for improving the learning environment at Iowa State University. To implement this action, Vice President Christensen, chairperson of the council, appointed an 11-member committee to pursue the charge.

An ad hoc committee was appointed to develop a process by which the university committee could decide whether it would be more appropriate for Iowa State University to be under a semester plan or a quarter plan. On February 27, 1978, a document entitled, "Comparison of Academic Calendars" was sent to the members of the general faculty and to professional and scientific employees. Twelve open college and university-wide meetings were held to review the pros and cons of each system and to solicit comments from all participants: faculty, staff, students. Comments and resolutions submitted by the Government of the Student Body, faculty, and staff were sent to each member of the general faculty and to professional and scientific employees on April 18, 1978. Officers of the Government of the Student Body, the Staff Council, and the Professional and Scientific Council agreed that the members of the general faculty should have the final responsibility for deciding the issue.

On April 26, the ballot was mailed to all members of the general faculty. Of the 1873 ballots mailed, 1452 marked ballots were returned (77.5%). Those voting for the semester calendar were 859 (59.2%) and those voting for the quarter calendar were 592 (40.8%).

President Parks reported that if the change in the academic calendar were approved, the university would proceed to develop procedures which would ensure an orderly change from the quarter to the semester system through appropriate university committees.

Vice President Christensen reported that Iowa State University was on the semester system until the year 1918. The university has been on the quarter system since that time with periodic reviews, the last having been conducted in the year 1958. Vice President Christensen reported that there were several variations in a university's calendar reviewed: regular semester, early semester, quarter, Cornell College approach, etc.

Regent Bailey asked how Vice President Christensen felt the change in the system would "enable the university to provide a better academic program," as was stated earlier. Vice President Christensen stated that he would be happy to send Regent Bailey the list of pros and cons of the matter. In essence, Vice President Christensen said the change was favored to permit faculty and students a better opportunity to digest the material to which they were exposed. It would remove a week of registry/examinations out of the 30 weeks of education provided at Iowa State University and give the students that time for further learning experience.

Mr. Fred Schuster, President, Government of the Student Body, reported that the student body was opposed to the proposal before the board for the following reasons:

- 1) The quarter system is a unique system among the three Regents' institutions. It provides a choice other than semester.
- 2) A recent student opinion poll showed that only 19% of the student body was in favor of an early semester system, while only 59% of the general faculty was in favor of it. The same poll showed that 72% of the student body was in favor of a quarter system.

Mr. Schuster said he felt the board's primary concern should be for the students of the university, the students whose education is the primary purpose of the university. He reported that the majority of the students, without a question, feel that the quarter system is the best for their academic life.

Mr. Jim Waters, representing the Government of the Student Body, distributed to members of the board material summarizing results of student input on the issue of the quarter versus the semester system. He presented a copy of the Government of the Student Body resolution supporting the quarter system, a copy of the results of the Government of the Student Body survey, and a summary of written comments received from students. He noted that the Government of the Student Body made an attempt at presenting reasons supporting both systems even though the number of students who responded pro-quarter greatly outweighed the number of students who responded pro-semester.

The following student opinion information was presented by the Government of the Student Body:

Pro Semester

- 1) The semester system would add continuity to the individual courses and to the year as a whole.
- 2) The break which interrupts winter quarter would no longer be a problem.
- 3) It could well be cheaper to the students and for the school.
- 4) The pace of the semester is not quite as fast.
- 5) It would make transferring to or from Iowa State University simpler as the semester system appears to be the trend.
- 6) It would force an academic overhaul.

In summary, the pro-semester students felt that a change to the semester system would force a thorough evaluation of the academic program at Iowa State. Also, the calendar would be in line with those of other schools throughout the country.

Pro Quarter

- 1) Iowa State University has a reputation for producing high quality graduates so academic excellence has been proven by having the quarter system.
- 2) The quarter system provides an alternative to the semester system. Enrollment has not been harmed by having the quarter system as the university has been expanding.
- 3) The quarter system allows students to take more different courses in one year.
- 4) Iowa State University should not feel it should conform to other schools, but should view this as an opportunity to be unique.
- 5) Stay with the system the university now has and improve it rather than change it.
- 6) The change would be very difficult to make. Also, there is no more evidence that semesters are superior than there is evidence that quarters are superior.

In summary, the students favoring the quarter system at Iowa State University could not see how changing to the semester system would improve the academic environment. They felt that if the time, energy and dollars necessary to make the change were spent on overhauling the present system, the academic environment would be improved.

Mr. Waters reported that telephone survey results showed that of those students who had been on some type of semester system before, 51% preferred some type of quarter system while 37% favored some type of semester system. Twelve percent were undecided.

Several other students were introduced who made comments regarding the semester versus quarter discussion.

Highlights of their remarks follow:

The quarter system better facilitates student farmers' scheduling. The quarter system lasts 11 weeks whereas the semester system lasts 16 weeks. A student farmer could, therefore, miss a quarter session due to farming needs rather than a portion or all of a semester session. A student farmer could graduate in six years rather than eight years if one educational period each year were spent in farm work.

Since Iowa is an agricultural state, at least one university should provide a calendar system to facilitate farmers' needs, by providing the quarter system.

The College of Science and Humanities is the largest college on campus and probably provided a lot of input in favor of the semester system whereas the students in farm-related classes do not pose as great a number.

A recommendation was made to conduct another poll to see which colleges wanted to stay with the quarter system and which colleges wanted to go to the semester system. It would probably be found that due to the difference in college size, the proportion of College of Agriculture students voting in favor of the quarter would be about one for every three to four students in the College of Science and Humanities.

Students may choose not to attend Iowa State University if a drastic change in curriculum is forthcoming.

Regent Shaw recommended the board postpone making a decision on the matter before it. He said further consideration should be given in light of the fact that some institutions close in the winter time. He said that if that situation would ever arise at Iowa State University, the semester system would be more difficult to adjust to than the quarter system. He noted that possibly Iowa State would consider closing in the summer.

President Petersen reported that the matter before the board has undergone two years of study. She expressed confidence in the 60% vote of the faculty to change calendar systems to be in the best interest of students even though the students don't perceive the change in that way. President Petersen said she felt the general faculty was, indeed, the appropriate body to recommend the final decision to the board. She added that, in her opinion, the semester system would, in the long run, improve the university's quality of academic service to students.

Regent Slife said he agreed with President Petersen in that the faculty should determine educational policy at the institutions for board approval. He agreed that student input on matters such as institutional calendar systems was essential, however.

Regent Wenstrand said he would feel uncomfortable in changing from quarter to semester system due to the hardship the change would place on the farmers in the school. He reported that a number of students farm during the spring or fall quarter to keep up with the farm work.

President Parks said he felt the "farm problem" was overemphasized in that a lot of land grant colleges are on semester systems and have had few complaints.

Regent Belin commented that she appreciated hearing from the students regarding their desire to maintain the quarter system. She said she tended to agree with Regent Wenstrand in that she would not like to see a burden placed on the student farmers at the university. At the same time, she said she had great respect for the faculty at Iowa State University. She said she would prefer giving this matter more thought prior to making a decision one way or the other.

President Petersen stated that there is a great deal of student flow from one institution to another in Iowa and around the nation. She said a change from quarter to semester system would better enable students to transfer. The vast majority of institutions in Iowa are on the semester system.

Vice President Christensen said he wanted it clear that the issue before the board was not one of his being an advocate of one or another system. He said that due process was carried out and added that all constituent groups provided input in the process. He noted that all groups understood that the general faculty would provide the overall decision to the board.

Mr. Perry Hutchison, Research Associate, Computer Science Department, reported that as a teacher he has found the quarter system to have some problems. He said the time framework is too short to get through some of the material that has been programmed for semester scheduling. He suggested the board consider the four-one-four system (trimester). He felt that system is at least as good as the quarter system and perhaps better. He said this system is relatively new in that ten years ago a survey indicated that among the institutions surveyed, none had such a calendar system. More recent statistics show that 13% of the institutions surveyed have gone to four-one-four systems. Among the Association of American Universities, 6% are using the four-one-four system.

Mr. Hutchinson urged the board appoint a new committee with the charge to compare semester, trimester, four-one-four, quarter systems, etc. He said the prior committee reviewed only quarter versus semester systems.

A student from the College of Agriculture said that she did not feel the board should "guinea pig" in a new system such as the four-one-four. She said she felt the board should favor continuity in this case and continue with the quarter system at the university.

Regent Brownlee noted that one of the great advantages of the quarter system is the flexibility and availability of education for those who are able to attend only certain portions of the academic year. He reported, however, that he accepted the university administration's assurance that changes can be made to accommodate the students in those individual cases.

Regent Brownlee noted that most research institutions and private colleges are on the semester system. He commented that the board's student bodies tend to be more and more mobile and by converting to a semester system, those transfers between institutions would be made easier. He recommended the board accept the university administration's recommendation. Postponement, he said, could cause a decision on this matter to be more difficult.

MOTION:

Mr. Brownlee moved the board approve Iowa State University's request to change its academic calendar from the quarter to the semester system as soon as possible. Mr. Slife seconded the motion.

Vice President Christensen commented that agriculture students would have special problems in a semester system. He noted, however, that the agricultural dean has assured him that those problems could be worked out. He said that "short courses" may be available within the semester system framework for those students. Regent Belin asked if "short courses" could be applied in more colleges than the College of Agriculture. Vice President Christensen said he could not imagine a system that would fit all people and individual desires. He said the university would, quite clearly, need to consult with the individual colleges in that regard.

Regent Harris asked if the student body of Iowa State University was, indeed, informed that the general faculty would provide the overall decision to the Board of Regents. Vice President Christensen assured Regent Harris that student body leaders were part of the decision to delegate the faculty the authority to provide the final decision to the board.

Miss Mary Beth Howe, former officer of the Government of the Student Body, reported that this issue was raised as part of the Learning Environment Improvement Report. She said students were involved on the ad hoc committee and that her understanding was that students would not have an opportunity to vote. She said she understood that the faculty would vote with students providing input on the matter. President Petersen said she felt Miss Howe's understanding was correct.

Regent Harris noted that there were many pros and cons to the calendar system issue at Iowa State University. He commented that he felt that most students would be in favor of staying with the present system just because they are in that type of system. He said he would vote for the recommendation before the board primarily because there was an understanding that the students knew from the beginning that the faculty would make the decision with their input.

Mr. Richey recalled that President Parks said several years ago that sometimes "the best thing that can happen" to a university is periodically changing its academic units because of the revitalization of the curriculum that is forced to occur due to the restructuring of the courses. President Parks reiterated that statement.

President Parks stated that persons in favor of the semester system (representatives of the faculty) were not present to discuss their side of the issue to the board. He stated that it was felt that the majority vote presented the board would be sufficient.

Regent Belin said the pros and cons of this matter caused her to be very open to suggestions and opinions on this issue. She said the revitalization point, however, caused her to lean in the direction of approving the recommendation before the board.

Regent Shaw admitted that he did not favor "change for change's sake." He noted that the quarter system has served Iowa State University well for many years. He said the change would probably not encourage higher enrollment or better faculty. He noted that while he was not critical of the proposal, he was just more in favor of staying with the present system in view of the fact that students were satisfied with the present system.

An Iowa State University student reported that while revitalization would, indeed, be a positive point in favor of the semester system, changing the system would not be the best way of attaining that revitalization. She said that a reevaluation needs to be done of the current system. She added that if "change" is so important, the other universities on the semester system should, then, change to the quarter system or some other alternative system.

VOTE ON MOTION: AYE: Brownlee, Slife, Petersen
 NAY: Bailey, Belin, Harris, Shaw, Wenstrand
 The motion failed.

Regent Belin suggested the board discuss this issue again at some future time. She said her negative vote on the motion was "tentative," in that she felt additional consideration was necessary before approval of the recommendation. She noted an earlier remark by Regent Shaw (referring to reaching more of a consensus among the students for a calendar change) caused her to lean toward that thinking.

Regent Harris noted that his negative vote was not consistent with the statement he made earlier. Due to the strong points on both sides of the issue, he indicated that comments made after his remarks swayed him to the other side of the issue. He particularly concurred with Regent Shaw's remarks.

President Parks stated that the board's failure to approve the recommendation before it defeated the faculty at Iowa State University. He commented that Iowa State University has tried to reach a consensus on this matter. He said that if the board asked the university to come back with a unanimous recommendation on this issue, an impossible task would be asked of the institution.

President Petersen then said it would be appropriate for a member on the prevailing side of the motion to move to reconsider the motion. She said a substitute motion would also be in order.

MOTION TO RECONSIDER: Mrs. Belin moved the board reconsider the vote on the motion made by Regents Brownlee and Slife as shown above. Mr. Wenstrand seconded the motion.

Regent Slife said he felt it would be unreasonable for the board to expect unanimity on an issue such as this at the university. He said the evaluation of this proposal has been going on for a long time. He said the 60-40% vote by the faculty proved to him that the majority was in favor of the change.

Regent Belin said her motion to reconsider was made because of her belief in the faculty's decision at Iowa State University.

Regent Bailey said that while he was not going to attempt to influence anyone's vote, his vote was going to be based on what was best for the state of Iowa. He noted that he was convinced, from an agricultural standpoint, that students would be better served by gaining their education through the quarter system.

President Petersen stated that she would have difficulty relaying the board's failure to approve the recommendation before it to the faculty at Iowa State University. President Parks said he, also, would find it difficult to report back to the faculty that the board disapproved its recommendation due to the long period of university deliberation which preceded the actual decision by the board.

President Boyd commented that the board's negative vote would have a very substantial impact throughout all of the institutional faculties. He said this matter involving curriculum is the basic responsibility of the faculty. He said he realized that there could be differences of opinion encompassing this issue, but he stated that the board should carefully consider its action.

Regent Shaw reported that this matter was brought to the board as a "supplemental item" and was not docketed prior to the meeting time. He stressed that he had not had sufficient time to consider this matter. He said the board had not been properly prepared to be able to make a decision today.

President Petersen said the motion before the board was to reconsider and if that motion passed, the subject would be before the board for further deliberation.

VOTE ON MOTION TO RECONSIDER: The motion passed unanimously.

President Petersen announced that the board was ready for motions on the subject.

SUBSTITUTE MOTION: Mr. Shaw moved that a decision on the recommendation to change Iowa State University's academic calendar from the quarter to the semester system be deferred until the October 1978 board meeting. Mr. Harris seconded the motion.

Regent Belin said she would appreciate hearing from the university administration information on how, if the semester system would be approved, it would accommodate the needs of agriculture students. President Parks said that information of that nature could not be available by October. He said it would take between two and three years to make sophisticated adjustments to a new system.

Vice President Christensen reiterated earlier comments by stating that the decision brought to the board by the faculty showed no favoritism on the administration's part. He stated that the matter was worked out in a fair and equitable way and all parties had agreed to following through on the decision finally made by the general faculty. It was now up to the Board of Regents for the ultimate decision.

Regent Wenstrand commented that he was now assured that certain courses would be given extra consideration if the board changed calendar systems at the university. He then expressed appreciation to the institution for the fair process followed in reaching the recommendation it presented the board. He went on to say that a delay by the board with respect to making a decision would not necessarily change the substance of the issue.

President Parks emphasized that a change in calendar system would not mean that the institution would suddenly lose interest in its students. He said that if such a change were incorporated, all reasonable adjustments in the system would be made for students in agriculture, veterinary medicine, engineering, etc., where special problems might arise. He noted that while he could not indicate what kind of adjustments would actually be made, he gave the board assurance that the students' welfare would certainly be taken into account.

VOTE ON MOTION TO SUBSTITUTE: AYE: Harris and Shaw
NAY: Bailey, Belin, Brownlee, Slife, Wenstrand,
Petersen
The motion failed.

An Iowa State student commented that if "special" consideration would be provided to certain university students if the semester system were incorporated, that education should be of the same quality as is currently being provided.

VOTE ON ORIGINAL MOTION AS RECONSIDERED:
AYE: Belin, Brownlee, Slife, Wenstrand,
Petersen
NAY: Bailey, Harris, Shaw
The motion carried.

IowaPIRG NEGATIVE FUNDING CHECK-OFF PROPOSAL. Iowa State University recommended that, based upon continuing student support, the board approve an extension of the existing agreement between the university and the Iowa State University IowaPIRG to continue the negative check-off option currently in effect for the 1978-1979 academic year, contingent upon the organization complying with university campus organization financial reporting and accounting procedures. The university, the Government of the Student Body, and IowaPIRG will review various funding methods that may be considered in subsequent years.

The university reported that it currently has a negative check-off option for the collection of \$1.00 per quarter from each student for a two-year period. That agreement has been renewed every two years up to the present time.

Iowa State University indicated several concerns regarding the accounting and disbursement procedures for the funds provided to IowaPIRG. The Board Office noted the seriousness of those concerns and encouraged that funds collected with respect to negative check-off be appropriately handled since the board is requiring payment of the special fee unless the student takes positive action to "opt-out."

Despite the concerns regarding the accounting procedures, Iowa State University recommended that the present plan for funding of Iowa State University's IowaPIRG be continued for another year with the understanding that IowaPIRG will bring its financial and reporting procedures into compliance with university policies and that other administrative details will be reexamined and improved wherever possible.

President Petersen noted that the request before the board by the IowaPIRG student organization at Iowa State University was for continuation of the present system for one year's time rather than for two years' approval as previously granted.

MOTION:

Mr. Bailey moved that, based upon continuing student support, an extension of the existing agreement between the university and the Iowa State University IowaPIRG be approved to continue the negative check-off option currently in effect for the 1978-1979 academic year, contingent upon complying with university campus organization financial reporting and accounting procedures. The university, the Government of the Student Body and IowaPIRG will review various funding methods that may be considered in subsequent years. Mr. Harris seconded the motion.

Mr. Jim Dubert, representing the IowaPIRG, said the organization is taking every step possible to solve the concerns the university has with the negative check-off system.

Regent Harris asked for names of some of the projects in which the Iowa State organization is currently engaged. Mr. Dubert reported that the group is involved in local, state, and national affairs. One project involves national Boundary Water Canoe Area (northern Minnesota) legislation to protect boundary waters. Another project involves the rate increase of the Northwestern Bell Telephone system. Mr. Dubert said the organization is also involved in the Brushy Creek Recreational Project in the Fort Dodge area. Mr. Dubert added that the Iowa State organization is involved in a total of 40 projects at the present time.

Regent Slife commented that he was in favor of the action before the board although he was bothered that the organization possibly deceives its consumers in order to get its financing through the negative check-off system. Regent Wenstrand expressed the same type of reservations.

Regent Wenstrand asked if Mr. Dubert felt that the student body at the university realized that it is contributing the vast majority of the funding of the state organization. Mr. Dubert responded in the affirmative

by saying that students who are concerned do know. Regent Wenstrand noted the vast disparity in amount of contribution between the three Regents' universities.

President Petersen noted that with a negative check-off system the board and the institutions need to be "scrupulously straightforward" in informing the students that they do, indeed, have a choice in the matter of participation. She said no direct or indirect pressure should be applied to make them feel they had no choice.

Regent Wenstrand asked if the University of Northern Iowa and Iowa State University IowaPIRG groups are the only organizations at the Regents' institutions having negative check-off systems. President Kamerick reported that the University of Northern Iowa also offers the negative check-off option through the Student Interest Investment Foundation.

Regent Shaw said he was not in favor of the negative check-off system in that freshman students, in particular, are unaware of the organization and its functions at registration time. It has been proven that as time goes on, however, student participation (financially) in the organization declines as the students continue their education year by year. Regent Shaw added that even positive check-off implies endorsement of a particular activity.

Regent Belin expressed opposition to the negative check-off system by stating that if an organization is valid and viable, the students will vote for the group and support it. She said she favored the positive check-off system over the negative check-off system for that reason.

Vice President for Student Affairs Thomas Thielen reported that he wanted it made clear that in Government of the Student Body referendum results, 57.9% of the voters (1,942) voted in favor of the negative check-off system for IowaPIRG. In Government of the Student Body telephone surveys, it was reported that 66% of the 306 students polled supported the negative check-off system on the registration form.

Mr. Dubert commented that for many reasons any time students get an opportunity to say "no," they will say "no," not necessarily because they don't like the organization, etc., but to get back at the university. In this case, Mr. Dubert said 66% of the 306 students polled about their support of the Iowa Public Interest Research Group responded affirmatively.

Assistant Vice President Madden assured the board that the financial procedures that were in question will be in order before any funds are transferred to the Public Interest Research Group.

VOTE ON MOTION:

AYE: Bailey, Harris, Slife, Wenstrand
NAY: Belin, Brownlee, Shaw, Petersen
The motion failed.

Mr. Dubert said he was shocked by the board's action and stated the university was not ready to go to a positive check-off system. He recommended the board provide the institution more time to work this matter out with an opportunity provided to bring in more facts with respect to another alternative than positive check-off. He recommended the board grant the university

one more semester's time to continue on the present negative check-off system due to the fact that some persons have already registered preference for the Public Interest Research Group through the negative check-off system.

President Parks said he had hopes that the board would have granted the university one more year to work out this present system with negative check-off. He agreed that the positive check-off system is preferable, but indicated that the university needs more time to make the transition.

Regent Bailey asked if the university could better make the transition from the negative check-off system if the board supported the negative check-off system for one more quarter. Assistant Vice President Madden reported that students who are returning next fall for class have already made a decision one way or another through the negative check-off system. New students will be acting on this this summer in the registration process. He noted that there would be some administrative problems of discontinuing the negative check-off system today although the university could do it. An abrupt discontinuance, however, would be very disruptive for the organization.

MOTION: Mr. Slife moved the board approve the negative check-off system for the Iowa State University IowaPIRG through the fall and winter quarters with discontinuance of same thereafter. Mr. Bailey seconded the motion.

President Petersen noted that the motion before the board left the option of alternative fundings open for the institution to explore. Regent Slife added that his motion indicated that without further action, there will be no check-off at all in the spring quarter for the IowaPIRG group at the university.

VOTE ON MOTION: The motion passed with Regent Shaw voting nay.

WESTERN IOWA CONTINUING EDUCATION OFFICE. The university requested the board grant approval of a five-year lease with D.F. Kuiken, trustee of the Harriett Fulton Clark Trust, for office space for the Western Iowa Continuing Education Office in Atlantic.

The Board Office reported that the board has been appropriated funding to extend educational services to western Iowa through the establishment of a regional center. The funding provides for a coordinator to identify educational needs and coordinate educational services. The lease will provide office space for the coordinator and a secretary.

The university stated that the lease was in the standard form and provides 460 square feet at \$3.91 per square foot. The lessor will furnish heat and water and the lessee will provide janitorial services and electricity.

Vice President Moore assured the board that the lease was completely non-controversial.

MOTION: Mr. Harris moved the board approve a five-year lease to provide office space for the Western Iowa Continuing Education Office in Atlantic, Iowa, as described above. Mr. Bailey seconded the motion and on roll call, the following voted:
AYE: Bailey, Belin, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.
NAY: None.
ABSENT: Barber.
The motion carried.

RESOLUTION PROVIDING FOR A NOTICE OF HEARING ON AN ACADEMIC REVENUE BOND FUNDED PROJECT. The board was requested to adopt a resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Utilities - Chilled Water System Additions - 1977 - Division 3 on the campus of Iowa State University and for a notice to contractors of bidding thereon.

The Board Office reported that the resolution needed to be corrected to reflect the time of the public hearing as being held at 3:00 p.m. on Thursday, June 15, 1978 rather than at 11:00 a.m., Central Daylight Savings Time. The 3:00 p.m. time was established as being the best time for the hearing for the most board flexibility.

The Board Office reported that the 1977 Session authorized academic revenue bonds for the project Utilities -- Chilled Water System Additions - 1977. The board has approved a total project budget of \$2,655,000 for this project. The public hearing on Division 3 involved demolition and removal of the existing concrete floor slab and steel framing and construction of a foundation for a new chilled water system.

MOTION: Mr. Bailey moved the board adopt the resolution providing for a notice of hearing on the academic revenue bond funded project entitled, "Utilities -- Chilled Water System Additions - 1977" as corrected. Mr. Harris seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of April 22 through May 19, 1978 had been received by him, was in order, and recommended approval.

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

<u>Stadium -- Raze Facilities in Clyde Williams Field</u>	
Award to: C.S. Ehinger, Kansas City, Missouri	<u>\$133,200.00</u>

The following action was recommended on the project Athletic Facilities -- Intercollegiate Running Track and Tennis Courts:

The Board Office recommended that the single bid received from Iowa Road Builders Co., Des Moines, Iowa totaling \$735,940.43 be rejected and that the specifications be modified for purpose of rebidding in the immediate future.

The Board Office reported that the single bid, including essential alternates, resulted in a project budget approximately \$106,000 more than the \$691,700 estimated project budget approved by the board in March. Subsequent negotiations with the single bidder failed to produce sufficient reductions in project cost to allow the project to proceed as intended. The project engineers, Shive-Hattery & Associates, recommended that the single bid be rejected and that the project be slightly modified and rebid in the immediate future. It is expected that the rebid will occur during the first week in June.

The following new projects were recommended for approval:

<u>MacKay Hall -- Third Floor Air Conditioning</u>	
Source of Funds: RR&A	<u>\$50,000.00</u>
<u>Mechanical Engineering -- Chimney Razing and Disposal</u>	
Source of Funds: RR&A	<u>\$20,000.00</u>
<u>Tennis Courts Restoration -- Beyer Hall</u>	
Source of Funds: RR&A	<u>\$75,000.00</u>
<u>Maple - Willow - Larch Commons Masonry Parapet Repair</u>	
Source of Funds: Dormitory System Surplus Fund	<u>\$25,000.00</u>

The board was requested to approve the following amended budget:

<u>Stadium -- Raze Facilities in Clyde Williams Field</u>	
Source of Funds: Overhead Reimbursement for Use of Facilities Athletic Council	<u>\$164,000.00</u>
(Funds equally divided between sources)	

The board was also requested to grant Iowa State University authorization to advertise and receive bids on the following projects:

Hilton Coliseum - Capital Improvements
 This is an \$800,000 project funded from investment income on Hilton Coliseum revenue bonds. The university listed in priority order the principal items of work which will be undertaken beginning this summer in this project.

Music Building

The 1978 Session line-itemed an appropriation of \$3,620,000 for this building. This is in addition to the \$175,000 appropriated in the 1976 Session for planning. An additional appropriation for movable equipment in the amount of \$350,000 will be requested in a forthcoming session. This makes a total project cost of \$4,145,000.

Final plans and specifications are complete and are now being reviewed. The building remains exactly as described in the preliminary plans and will have 33,000 net assignable square feet. The university indicated that a number of items will be bid as alternates to ensure that the integrity of the project budget is maintained.

The Board Office stated that since the Governor has now signed the capital bill in which funding for the Music Building is contained, it was recommended that the board authorize Iowa State University to advertise and receive bids as soon as possible on the project.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the period of April 22 through May 19, 1978; ratify the construction contract awarded by the executive secretary; reject the single bid on the Athletic Facilities -- Intercollegiate Running Track and Tennis Courts project and modify the specifications for purpose of rebidding in the immediate future; approve the amended budget; approve the new projects; authorize the university to advertise and receive bids on the Hilton Coliseum -- Capital Improvements project and the Music Building project; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to Iowa State University.

EXPRESSION OF APPRECIATION. Regent Belin commended the university on the beautiful wall hangings on display in the board's meeting room, the Pioneer Room.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, May 18, 1978.

PRELIMINARY BUDGET 1978-1979. The Board Office recommended the board approve the University of Northern Iowa's preliminary budget proposal of \$32,788,000 for fiscal year 1978-1979.

The university reported that there are numerous pressing needs which can not be addressed at the present level of operational funding. Non-personnel-related expenditure areas have been identified as of most pressing concern. Funding for the 1978-1979 budget increase of 8.1% over the previous year is accounted for by a \$2,332,000 increase in appropriations and a \$127,000 increase to institutional income. The administration of the university indicated that 19.6% of the budget is represented by tuition income. Other institutional income accounts for 1.9% and appropriations 78.5%.

Anticipated enrollment growth for 1978-1979 is expected to increase tuition income by \$77,000 over the \$6,347,000 budgeted for 1977-1978. The revised estimate of tuition income for 1977-1978 of \$6,200,000 is \$147,000 below the amount budgeted, based on the revised lower actual enrollment for 1977-1978. Even though the estimated tuition income used in the appropriation calculation process was overstated, there was no effect on the amount of the appropriation because the Governor's recommendation was developed by offsetting the tuition income by an equal amount of expenditure.

MOTION: Mrs. Belin moved the board approve the University of Northern Iowa's preliminary budget proposal of \$32,788,000 for fiscal year 1978-1979. Mr. Harris seconded the motion.

Regent Belin asked for clarification of the phrase, "Regent System Support" where it was noted as a special \$10,000 problem in the university's general expense area. Mr. Richey explained that problem covers Board Office merit system, employment relations, and equal employment opportunity functions.

VOTE ON MOTION: The motion passed unanimously.

REGISTER OF PERSONNEL CHANGES. The board was requested to approve the University of Northern Iowa's Register of Personnel Changes for the month of April 1978 with the following notations:

Change of Status:

George G. Ball, Educational Psychology and Foundations, from Professor and Head to Professor, effective April 1, 1978, no change in salary.

James L. Wolf, Academic Computing Center, from Associate Director, ACS to Director ACS effective April 1, 1978, no change in salary.

In absence of objections, President Petersen approved the Register of Personnel Changes for the month of April with the notations as noted above.

CURRICULUM CHANGES. The Board Office recommended the board refer the curriculum changes proposed by the University of Northern Iowa to the Inter-institutional Committee on Educational Coordination for review and recommendation.

The Board Office reported that the University of Northern Iowa curriculum changes included several new programs. The College of Business and Behavioral Sciences is proposing a minor in Organizational Management and a minor in Criminology and Corrections. The College of Education is proposing a new major in Community Health Education, Bachelor of Arts Degree. The College of Humanities and Fine Arts is proposing a major in Speech/Public Relations, Bachelor of Arts Degree. The College of Natural Sciences is proposing a new major in Chemistry - Marketing, Bachelor of Arts Degree.

MOTION:

Mr. Harris moved the board refer the curriculum changes proposed by the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination for review and recommendation. Mrs. Belin seconded the motion and it passed unanimously.

Regent Belin asked about the proposed course deletions in the physical education field. President Kamerick reported that a substantial number of the course additions and drops are due to a restructuring of the offerings in physical education, health, and recreation. All of the courses in these areas taught by the two departments of Physical Education for Women and Physical Education for Men have been combined into common offerings. The separate major and minor programs have also been restructured and combined into common programs which will be open to both men and women, resulting in a reduction of majors and minors offered by both departments from 15 to 9.

President Petersen noted that Dean Dale Nitzschke, College of Education, reported in his Statement of Curricular Trends to the board that several minor adjustments in curricular requirements have been made in light of the university's current developmental efforts toward the Ed.D. degree. President Petersen urged the university to move forward with caution toward the development of advanced degrees to make sure that resources will be available. President Kamerick said the university has been advised to move slowly in that area.

President Petersen commented that the proposed major in Speech/Public Relations Major as an ethics course might be appropriate. She noted that concern in the public relations area and said her thoughts possibly could be considered by the university. President Kamerick said that will be considered. Regent Belin concurred with President Petersen's remarks by saying she felt particular attention should be paid to the ethics concern in the medical area, as well.

DEPARTMENT STATUS FOR THE DIVISION OF SPECIAL EDUCATION. The Board Office recommended the University of Northern Iowa's proposal to grant the Division of Special Education department status be referred to the Interinstitutional Committee on Educational Coordination for review and recommendation.

The Board Office reported that in the preliminary long-range plans submitted by the University of Northern Iowa earlier this year, it was noted that the Dean of Education was recommending to the Academic Vice President and Provost that steps be taken to elevate the current Division of Special Education to full departmental status. It was noted that when this change was approved, a search for a national figure in special education would be recruited to serve as department head. Internal adjustments within the college would be made to accommodate this need. This request was approved by all of the internal faculty bodies at the university and was now being recommended by the administration.

MOTION: Mr. Harris moved the board refer the University of Northern Iowa's request for department status for the Division of Special Education to the Interinstitutional Committee on Educational Coordination for review and recommendation. Mr. Bailey seconded the motion.

Mr. Richey reported that the board's Governance Committee (relating to the governance of the board's two special schools) will be coming before the board with a report in July rather than June, as previously expected. A part of that report will deal with the need for pre-service and in-service training in the area of special education. Vice President Martin commented that the university does want to accelerate this matter. Mr. Richey then suggested cooperation between the university and the Governance Committee in working out the proposal.

VOTE ON MOTION: The motion passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of April 11 to May 8, 1978 had been received by him, was in order, and recommended approval.

The following construction contract was recommended for ratification, having been approved by the executive secretary:

Coal-Fired Boiler Replacement and Auxiliaries -- Contract C2A -- Site Preparation and Substructure

Award to: Jens Olesen Construction Company, Waterloo, Iowa \$207,750.00

The following construction contract was recommended for approval:

Coal-Fired Boiler Replacement and Auxiliaries -- Contract C2C -- Chimney

Award Recommended To: Airtek Corporation, Quincy,
Massachusetts \$347,625.00

The analysis of the Airtek bid for a steel chimney versus the low bid for a concrete chimney showed that the evaluated cost including installation makes the low evaluated bid that of Airtek Corporation.

The following revised budget was presented for approval:

Physical Education--Women's Softball Field
Source of Funds: University RR&A (Original budget \$29,000) \$32,500.00

The following new projects were presented for approval:

Lawther Hall -- Heating Modifications and Exterior Painting
Source of Funds: Dormitory Improvement Fund \$55,000.00

Regents' Complex -- Skyway Exterior Renovation
Source of Funds: Dormitory Improvement Fund \$35,000.00

UNI-Dome South Parking Lot Improvements
Source of Funds: Reserved Parking Fund \$120,000.00

The university has prioritized roof needs of several of its buildings to undertake \$235,000 of the \$650,000 repairs needed now and deferring the other needs until the summer of 1979. The most critical roofing problems are:

Campbell Dining Hall Roof Repairs
Source of Funds: Dormitory Improvement Fund \$48,000.00

Gilchrist Hall Roof Repairs
Source of Funds: RR&A \$57,000.00

Price Laboratory School, Science Building and Library Roof Repairs
Source of Funds: RR&A \$60,000.00

Arts and Industries Building Roof Repairs
Source of Funds: RR&A \$70,000.00

The following roof repairs or roof replacement would be unfunded at this time:

Commons Building \$133,000.00

Art II \$38,000.00

Auditorium Building \$42,000.00

These three projects would normally be funded from state funds and the unmet need is \$213,000.

Also unfunded would be repairs and replacements on the following dormitory roofs:

Campbell Hall \$140,000.00

Hagemann Hall \$50,000.00

These roofs would be funded from Dormitory Improvement Funds, but at this point have to be deferred because of other high priority needs for those funds within the dormitory system.

Steam Loop #1

Source of Funds: Allocation of savings from the coal-fired
boiler bids and awards \$135,000.00

This project would enable purchase of long-time lead materials for the Steam Loop #1. To date, the university has identified almost \$600,000 in savings from the coal-fired boiler project. Twenty six thousand dollars of that savings were committed to gaining engineering services on the Steam Loop #1. An additional \$135,000 commitment was now recommended.

The university and the Board Office will make a recommendation for action at the July board meeting on whether the Steam Loop #1 can be funded totally from the coal-fired boiler savings. If that recommendation is positive, it will eliminate a serious problem at the university and will allow a project to be dropped from the 1979 capital request of the board.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the period of April 11 to May 8, 1978; ratify and approve the construction contracts shown above; approve the revised project budget; approve the new projects; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

MOTOR VEHICLE AND BICYCLE REGULATIONS, 1978-1979. The university requested the board approve the 1978-1979 Motor Vehicle and Bicycle Regulations for the University of Northern Iowa.

The Board Office indicated that the proposed changes to the Motor Vehicle and Bicycle Regulations appeared to be clarification and refinement of past regulations. Section 9, Fines and Appeals, was changed to eliminate the word "school" days in the following sections:

- 9.5 Upon being issued a traffic violation ticket, the violator shall appear within seven (7) days at the Security Office, Gilchrist Hall, Room 104 (regular office hours, Monday through Friday) and pay the penalty imposed to make an appointment to present an oral appeal within 30 days of said violations. Failure to appear at the appointed time shall result in denial of the appeal.
- 9.7 In lieu of non-payment or the failure to initiate further appeal actions within seven (7) days following the denial of an appeal, a penalty of \$1.00 will be assessed.

The Motor Vehicle and Bicycle Regulations for 1978-1979 are on file at the Board Office.

MOTION:

Mr. Bailey moved the board approve the 1978-1979 Motor Vehicle and Bicycle Regulations for the University of Northern Iowa. Mr. Brownlee seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the University of Northern Iowa. There were no additional matters raised for discussion.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, May 18, 1978.

PRELIMINARY BUDGET FOR 1978-1979. The Board Office recommended the board approve the preliminary budget of \$3,434,000 for general program operations and \$236,815 for Title I for fiscal year 1978-1979 except for the proposed items regarding the full-time equivalent pupil services coordinator, the visually-impaired resource room and the computer-assisted instruction program.

The Board Office reported that the preliminary budget submitted by the institution reflected maintenance of the basic program of operations and a major change involving the incorporation of a significant portion of the Title I program operation into the general program operations of the school. Funding available in 1978-1979 to meet the preliminary budget is comprised of a \$243,000 increase in appropriations and a \$4,000 reduction in estimated institutional income. The combined \$239,000 increase represents a 7.5% growth in the budget over the previous year.

The Board Office reported that the appropriations increase contained in House File 634 was reduced by \$16,000 in the preliminary budget. Iowa School for the Deaf has overfunding of approximately \$16,000 and possibly more for health insurance than that required to cover known health costs for 1978-1979. It was proposed that \$16,000 be set aside for possible interinstitutional transfer after the 1978-1979 health insurance costs have been established.

The Iowa School for the Deaf proposed that the 1978-1979 general program operations budget absorb \$184,439 of the Title I program operations of 1977-1978. The shift in programs and funding will permit the institution to utilize the 1978-1979 Title I program funding to provide additional services not previously available. The Title I program transfer will bring \$166,406 in teachers' salaries for 12 nine-month positions and \$18,433 in secretarial salaries for two nine-month positions into the general program operations. The Iowa School for the Deaf reported that the budget flexibility is sufficient to absorb the transfer and insure latitude for unanticipated adjustments during the course of the 1978-1979 fiscal year.

Other program changes included the addition of a field worker in the professional and scientific employee classification at \$14,000. A major reduction in program was indicated for general service staff salaries. This reduction represents an accumulation of extra salaries and position reduction utilized to offset the addition of faculty positions from the Title I program. The net change of \$141,000 represents a reduction of \$165,336 and the addition of \$24,229.

Changes in non-personnel-related budget expenditures for 1978-1979 were as follows: a \$3,000 increase in fuel and purchased electricity, a \$21,000

or 5% increase in general expense, a \$6,000 reduction in equipment, and a \$35,000 reduction in RR&A. No change was proposed to the expenditures for library books.

The Iowa School for the Deaf recommended one full-time equivalency pupil services coordinator, a visually-impaired resource room, and a computer-assisted program which the Board Office expressed concerns about. The Board Office expressed reservations regarding the pupil services coordinator by stating that the board needed to be assured that this person would not be undertaking recruitment activities. The Board Office stated that having this person in the field could aggravate an already sensitive issue regarding the relationships between the Iowa School for the Deaf and the area education agencies. The Board Office also expressed reservations about the need to add administrative staff to undertake the duties listed, i.e., "provide recognition to students who have received special award or honors, etc."

Mr. Richey stated that the board should seek assurances that the proposal for the visually-impaired resource room is being adequately coordinated with the Iowa Braille and Sight Saving School and the Deaf-Blind Program to avoid unnecessary duplication of resources and to use the best expertise in the state regarding the education of the visually-impaired.

The Board Office reported that further information was necessary with respect to the computer-assisted program proposal. Similar concerns have been expressed by the Department of Public Instruction staff (which also must approve the Title I program).

Superintendent Giangreco responded to the concerns expressed about the pupil services coordinator. He reported that this person would not do any recruiting, but he/she would coordinate all campus activities. He said the position would be involved with the parent program the school is getting involved with with respect to student/home contact.

Superintendent Giangreco reported that the school has been in contact with the Iowa Braille and Sight Saving School with respect to the proposed visually-impaired resource room and it has been found that such a room at the Iowa School for the Deaf would present no conflicts between the schools. He said the students to be served in that program would be referred to the school by the Iowa Braille and Sight Saving School. Superintendent Giangreco added that the Iowa School for the Deaf has a person capable of operating this program on staff at the present time.

Superintendent Giangreco reported that the Iowa School for the Deaf would be bringing in more information to the board regarding the computer-assisted program.

Mr. Richey commented that the Iowa School for the Deaf currently has a staff person who coordinates with the students and their parents. He noted that the school also has two full-time parent consultants and conducts parent workshops. He gave that reasoning as further explanation for the Board Office's recommendation not to approve the pupil services coordinator position at this time.

Mr. Richey commented that the Board Office was not aware of the cooperation between the two special schools with respect to the visually-impaired resource room. He said that while the Board Office was not necessarily recommending against the program this year, it just wanted to be sure that the program could be more effectively evaluated.

Mr. Richey said the next session of the legislature will be informed of the needs of the Iowa School for the Deaf with respect to continued funding.

MOTION: Mr. Harris moved the board approve the preliminary budget of \$3,434,000 for general program operations and \$236,815 for Title I for fiscal year 1978-1979 except for the proposed items regarding the full-time equivalent pupil services coordinator, the visually-impaired resource room and the computer-assisted instruction program. Mrs. Belin seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of April 1978 were ratified by the board.

SUMMER SCHOOL PROGRAM. The Board Office recommended the board approve the summer school program proposed by the Iowa School for the Deaf. Iowa School for the Deaf proposed its summer school program run from June 5 through June 30. This program will provide summer language, speech readiness, and socialization programs for preschool/kindergarten deaf children and deaf/visually-impaired children.

Funding for this proposal will come from current year Title I funds.

MOTION: Mrs. Belin moved the board approve the proposed summer school program at the Iowa School for the Deaf. Mr. Bailey seconded the motion and it passed unanimously.

INFORMATION ITEMS. A. North Central Association Accreditation. The board was presented a letter from the North Central Information concerning the conferral of membership status (accreditation) in the North Central Association.

President Petersen congratulated the Iowa School for the Deaf on achieving membership status in the North Central Association.

B. Agreement with the Department of Public Instruction. The board was presented information describing an informal agreement with the Department of Public Instruction concerning the provisions for a vocational guidance counselor. This item was discussed at the April meeting of the board during consideration of the school's proposed Title I budget for next year. Several recent evaluation reports have noted the need for such a position. The Regents' Governance Committee had suggested the expanded use of a guidance counselor provided by the Department of Public Instruction and the Board Office said this agreement appeared to be consistent with that recommendation.

MOTION: Mr. Bailey moved the board approve the agreement as described above between it and the Department of Public Instruction. Mr. Slife seconded the motion and it passed unanimously.

NEW CAPITAL PROJECTS. The Board Office recommended the board approve the project descriptions and budgets on two new capital projects and ratify the action of the executive secretary in approving issuance of a purchase order to the firm of Wilscam, Mullins & Birge, Inc. to provide architectural services for these projects. The projects recommended follow:

Primary Hall Roof Repair

Source of Funds: 1977-1978 RR&A \$26,140.00

Masonry Wall Repair and Ventilator Removal

Source of Funds: 1977-1978 RR&A \$44,430.00

The Board Office reported that these projects involve masonry wall repairs in the Primary Hall building and the auditorium/dining room section of the Main Administration Building. Also, the work consists of cornice repair at Primary Hall and involves the removal of the large roof ventilator on the old bakery section of the dining room complex.

Since there was a need to take bids on these projects earlier to June 30 in order to commit current year's RR&A funds, the executive secretary authorized the school to issue a purchase order to the firm of Wilscam, Mullins & Birge, Inc., Omaha, Nebraska, to provide architectural services on the project. Fees are based upon hourly rates of the firm on file in the Board Office with a maximum compensation of 8% of the projected costs and with the provision that the actual fees shall not exceed 8% of the actual contract award. In this instance, it was thought that the project budget was slightly overstated and that the school will effect a cost savings in architectural services if those costs are related to the actual contract price.

The Board Office recommended the board include a third project in its deliberations for approval: the Main Building Roof Repairs. The total budget for this project is estimated at \$115,000. Mr. McMurray recommended that all three projects mentioned herewith be placed in a single bidding package for bidding at the end of June. President Petersen reported that the Main Building Roofing project would be funded from capital funds (\$50,000) and other institutional funds (\$65,000). (See general section of these minutes on capital allocations.)

MOTION:

Mr. Harris moved the board: 1) approve project descriptions and budgets on the Primary Hall Roof Repair project and Masonry Wall Repair and Ventilator Removal project and the Main Building Roof Repair project and 2) ratify the action of the executive secretary in approving issuance of a purchase order to the firm of Wilscam, Mullins & Birge, Inc. to provide architectural services for these projects. Mr. Brownlee seconded the motion and it passed unanimously.

ARCHITECT'S CONTRACT. The board was requested to approve a contract for architectural services with the firm of Wilscam, Mullins & Birge, Inc., Omaha, Nebraska, to provide the school with a facilities master plan study as described below, with compensation to be on an hourly rate basis not to exceed \$5,000.

The Board Office reported that at the board's April meeting the school was authorized to negotiate with the firm of Wilscom, Mullins & Birge, Inc., Omaha, Nebraska, for the purpose of entering into an agreement on a facilities master plan study with compensation not to exceed \$5,000. A meeting was held at the school attended by Mr. McMurray, Mr. Kuehnhold, and Mr. Birge from the architectural firm. The specific matters to be encompassed in the facilities master plan study were presented the board for information and are on file at the Board Office.

The Board Office noted that it was also agreed that the study would examine the long-range goals of the school and that there would be consultation with Board Office staff as to the future role of the school in light of the new federal legislation for special education. It was agreed, however, that primary emphasis would not be placed in this aspect of the study because of the uncertainty prevailing at the present time in this area. However, the study will survey the current situation and receive input from various sources as to what the future role of the school might be. The basic thrust of the master plan study is to examine all existing buildings and to determine what facilities needs exist for maintenance of existing facilities.

MOTION:

Mrs. Belin moved the board approve a contract for architectural services with the firm of Wilscom, Mullins & Birge, Inc., Omaha, Nebraska, to provide the school with a facilities master plan study as described by the institution to the board, with compensation to be on an hourly rate basis not to exceed \$5,000. Mr. Harris seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items on the Register of Capital Improvement Business Transactions for the month of April 1978.

President Petersen asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the Iowa School for the Deaf. There were no additional matters raised for discussion.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, May 18, 1978.

APPROVAL OF PRELIMINARY BUDGET FOR 1978-1979. The Board Office recommended the board approve the preliminary budgets of \$1,842,000 for general program operations and \$62,087 for Title I for fiscal year 1978-1979.

The Iowa Braille and Sight Saving School reported that the school now faces three critical needs: 1) adequate staff to maintain the present program, 2) resources to develop new programs in response to the school's changing role, and 3) sufficient administrative staff to assure appropriate management. The preliminary budget reflected priority emphasis upon the first two needs. Funding available in 1978-1979 to meet these needs is comprised of a \$118,000 increase in appropriations and \$1,000 increase in institutional income. The combined increases represent a 6.9% growth in budget.

The Board Office reported that the appropriation increase contained in House File 634 has been reduced by \$50,000 in the preliminary budget. An error in health insurance cost calculations caused overfunding of approximately \$50,000 above the amount required to cover known health insurance costs for 1978-1979.

The Board Office proposed that the institution retain the \$50,000 overfunding for the health insurance costs until some time in October or November, when a new assessment of health insurance costs are recalculated, based upon any increased participation. Interinstitutional transfers would then be made from those organizational units which are underfunded, based upon the projected costs for 1978-1979. The interinstitutional transfer would reduce the shortfall in funding that will have to be absorbed by several of the organizational units.

The institution proposed several shifts in personnel and non-personnel-related expenditures to maintain the basic institutional program. Due to personnel transactions, there is a net decrease of \$2,000 in faculty and institutional officials' expenditures in 1978-1979.

A net increase of \$18,000 was reflected in professional and scientific salary expenditures. Changes in nonpersonnel-related expenditures showed an increase of \$12,000 for fuel and purchased electricity, a 6% growth in general expense, and an \$11,000 reduction in equipment. No change was made to library book and RR&A expenditures.

It was noted that the proposed Title I program for 1978-1979 has not been approved by the Department of Public Instruction; consequently, there may be changes in the program.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
May 18, 1978

MOTION:

Mr. Brownlee moved the board approve the preliminary budgets of \$1,842,000 for general program operations and \$62,807 for Title I for fiscal year 1978-1979. Mr. Harris seconded the motion and it passed unanimously.

REGISTER OF PERSONNEL CHANGES. The board was requested to approve the Register of Personnel Changes for the month of April 1978 for the Iowa Braille and Sight Saving School including the following notation:

Effective June 1, 1978, Mr. Ron Malone will be serving as personnel director of the Iowa Braille and Sight Saving School. He replaces Mr. Alan Nimmer who resigned effective May 11, 1978, to accept employment in Wisconsin.

In absence of objections, President Petersen approved the Register of Personnel Changes for the month of April 1978 for the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of April 1978 had been received by him, was in order, and recommended approval.

The following new project was recommended for approval:

Combination Windows for Dormitories

Source of Funds: 1977-1978 RR&A

\$57,600.00

The institution requested the board approve the project, the preliminary budget, and requested authorization to issue a purchase order to the firm of Brown Healey Bock for fees on an hourly rate basis with the maximum not to exceed \$2,400 plus out-of-pocket expenses in the amount of \$200.

Because of the short period of time in which to issue an addendum to the specifications on the May 31 bid opening, the executive secretary gave preliminary authorization to Brown Healey Bock initiating design on this project. The school determined that it was advantageous to try to add this project to the May 31 bidding package because of the wide distribution of those specifications and so that the 1977-1978 RR&A funds could be encumbered for this needed project.

The May 31 bidding package also includes the rest of the Fire Safety project and the Phase I Renovations -- 1977-1978, which includes these projects:

- 1) Repair of guttering on the Main Building
- 2) Renovation of the dining area of the first floor of the Main Building
- 3) Phase I relocation of the administrative offices
- 4) Renovate and unify the Instructional Materials Center on the second floor of the Main Building.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
May 18, 1978

MOTION:

Mr. Harris moved the board approve the Register of Capital Improvement Business Transactions for the month of April 1978; approve the new project as shown above; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

The Iowa Braille and Sight Saving School reported that the firm of Thorson-Brom-Brosnar-Snyder, Waterloo, Iowa, has initiated the feasibility study on the swimming pool needs of the school, as authorized at the April board meeting. The study is expected to be completed for board consideration at the June board meeting.

EUDORA F. MCGREGOR FUND. The board was requested to grant approval to the Iowa Braille and Sight Saving School to provide Jerry Milholin with financial aid in the amount of \$2,156.00 from the Eudora F. McGregor Fund to study music at Cornell College.

Superintendent DeMott recommended that Gerald Goos, who has taken the name of Jerry Milholin, meets the conditions of the will, as interpreted by representatives of the Iowa Attorney General's Office. The Board Office concurred with the recommendation.

The Board Office indicated that according to the last statement of income on the McGregor Trust Fund, the current balance is \$18,891.30. This balance is more than sufficient to accommodate the \$2,156.00 needed for Jerry Milholin to meet needed costs for attendance at Cornell College. There are no other students utilizing these funds at the present time.

MOTION:

Mr. Harris moved the board grant Iowa Braille and Sight Saving School approval to provide Jerry Milholin with financial aid in the amount of \$2,156.00 from the Eudora F. McGregor Fund to study music at Cornell College. Mr. Wenstrand seconded the motion and it passed unanimously.

AGREEMENT ON USE OF SPACE - HAPPY TIME CHILD CARE CENTER. The Board Office recommended the board approve renewal of an agreement between the Iowa Braille and Sight Saving School and Happy Time Child Care Center authorizing the use of the ground floor of Palmer Hall.

Iowa Braille and Sight Saving School originally entered into an agreement with Happy Time Child Care Center for use of the east basement in Palmer Hall in January of 1976. The renewal would continue the arrangement for the 1978-1979 school year. The fee for the use of the space is \$1,800.00, based on a population of 40 students attending for the full year. Any students above the 40, up to the licensed maximum of 50, would bring in an additional \$108.00 per student, based on full-year attendance. A meal charge of \$1.00 is in effect. Happy Time Child Care Center will provide insurance coverage for the operation.

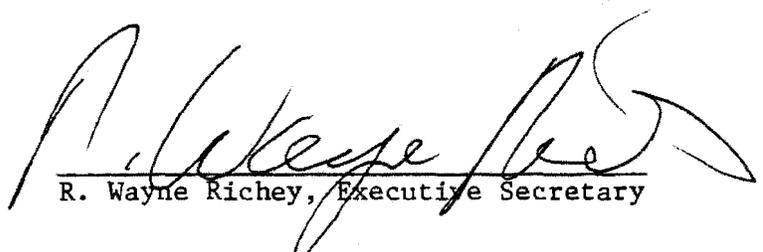
IOWA BRAILLE AND SIGHT SAVING SCHOOL
May 18, 1978

MOTION:

Mrs. Belin moved the board approval renewal of an agreement between the Iowa Braille and Sight Saving School and the Happy Time Child Care Center authorizing the use of the ground floor of Palmer Hall. Mr. Harris seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the Iowa Braille and Sight Saving School.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 8:07 p.m. on Thursday, May 18, 1978.



R. Wayne Richey, Executive Secretary