

The State Board of Regents met at Iowa State University on Thursday, May 21, 1981. Those present were:

	<u>May 21, 1981</u>
Members of State Board of Regents:	
Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	All Sessions
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions
Mr. Nolting	All Sessions
Mr. Wenstrand	All Sessions
Office of State Board of Regents:	
Executive Secretary Richey	All Sessions
Director Barak	All Sessions
Director McMurray	All Sessions
Ms. Baker, Secretary	All Sessions
Assoc. Dir. Caldwell	Exc. 1:00 p.m.
Assoc. Dir. Stanley	All Sessions
State University of Iowa:	
President Boyd	Exc. 2:20 p.m.
Vice President Bezanson	Exc. 2:20 p.m.
Vice President Brodbeck	Exc. 2:20 p.m.
Assistant Vice President Small	Exc. 2:20 p.m.
Acting Director Brisben	Exc. 2:20 p.m.
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
University of Northern Iowa:	
President Kamerick	Exc. 1:50 p.m.
Provost Martin	Exc. 1:50 p.m.
Vice President Stansbury	Exc. 1:50 p.m.
Director Kelly	Exc. 1:50 p.m.
Iowa School for the Deaf:	
Superintendent Giangreco	Excused
Business Manager Kuehnhold	Exc. 1:00 p.m.
Iowa Braille and Sight Saving School:	
Superintendent DeMott	Exc. 1:00 p.m.
Business Manager Berry	Exc. 1:00 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, May 21, 1981.

APPROVAL OF MINUTES. The minutes of the April 16-17, 1981, board meeting were approved as distributed. President Brownlee stated that any additions or nonsubstantive changes could be turned in to the secretary.

President Brownlee noted that the minutes of the May 1, 1981, meeting had been recently distributed and would be approved at the next board meeting.

REPORT ON ACCREDITATION BY NORTH CENTRAL ASSOCIATION OF COLLEGES AND SCHOOLS. a. Accreditation of the Iowa School for the Deaf. It was recommended that the board receive the correspondence from the North Central Association of Colleges and Schools regarding the accreditation of the Iowa School for the Deaf.

It was the Board Office's understanding that the North Central Association of Colleges and Schools (NCACS) accredits each of its special schools annually. The school received a letter noting the accreditation for 1980-81, the current school year.

In addition, the NCACS also participates in a joint evaluation of the special schools on the occasion of their accreditation with their respective professional organization. In the case of Iowa School for the Deaf, this is the Council of Educators for the Deaf (CED). The Iowa School for the Deaf also recently had an accreditation visit from the CED, in which the North Central team participated. A report on that joint evaluation effort will be forthcoming.

The Board Office said the school should be congratulated for achieving accredited status.

Mr. Barak noted that the report on the joint accreditation was a favorable, good report.

President Brownlee received the correspondence from the North Central Association of Colleges and Schools regarding the accreditation of the Iowa School for the Deaf on behalf of the board.

A. Accreditation of the Iowa Braille and Sight Saving School. It was recommended that the board receive the correspondence from the North Central

GENERAL
May 21, 1981

Association of Colleges and Schools regarding the accreditation of the Iowa Braille and Sight Saving School.

As with Iowa School for the Deaf, the Board Office noted that Iowa Braille and Sight Saving School received a letter noting its accreditation for 1080-81, the current school year.

In addition, the NCACS participated in a joint evaluation of the school on the occasion of its accreditation with its professional organization. A report on that joint evaluation effort will be forthcoming.

The Board Office said the North Central Association letter of accreditation noted a minor deviation which they indicated is not of sufficient importance to warrant a warning. This "deviation" concerned the temporary certification status of two teachers for the visually impaired.

The Board Office said the school should be congratulated for achieving accredited status.

President Brownlee received the correspondence from the North Central Association of Colleges and Schools regarding the accreditation of the Iowa Braille and Sight Saving School on behalf of the board.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Change in Name of Department of Speech at University of Northern Iowa. It was recommended that the board approve the name change of the Department of Speech at the University of Northern Iowa to the Department of Communication and Theatre Arts.

In April, the board referred this item to the Interinstitutional Committee on Educational Coordination and the Board Office for review. The Interinstitutional Committee recommended approval of the request.

The Board Office noted that the purpose of the requested name change was to label this department with a name that is reflective of current trends in the field. This is especially important to faculty or students whose reputation and careers may depend in part on such labeling. It also helps clarify the nature of the department to potential students.

The university and Interinstitutional Committee stated that no budgetary consequences or new programming will result from this name change.

Vice President Brodbeck, who was asked to report for the Interinstitutional Committee by Vice President Martin, stated that the name change would be consonant with changes in the discipline. She noted that a similar

GENERAL
May 21, 1981

change was recently made at the University of Iowa. She assured the board there would be no programmatic changes.

MOTION: Mr. Wenstrand moved that the board approve the requested name change of the Department of Speech at the University of Northern Iowa to the Department of Communication and Theatre Arts. Dr. Harris seconded the motion and it passed unanimously.

APPOINTMENTS TO COMMITTEES. It was recommended that the board accept the resignations as indicated below and approve the appointments as indicated below.

The resignations were as follows:

Regent Arthur Neu
Banking Committee (no fixed term)
Mental Hygiene Committee for the remainder of the term expiring
July 31, 1983

Executive Secretary Richey
Coordinating Council for the remainder of the term expiring
July 31, 1983.

Appointments recommended for the various organizations are listed below together with incumbent members (identified by an asterisk):

MEMBER	ALTERNATE	TERM EXPIRES
<u>Iowa Coordinating Council for Post-High School Education</u>		
Arthur A. Neu	*Ann Jorgensen	July 31, 1983
*Peter J. Wenstrand	*Percy G. Harris	July 31, 1983
Peg Anderson	Fred W. Nolting	July 31, 1983
<u>State Educational Radio and Television Facility Board</u>		
June Murphy		June 30, 1982
*Ann Jorgensen		June 30, 1983
John C. McDonald	Effective July 1, 1981, for term expiring	June 30, 1984
<u>University of Northern Iowa Foundation</u>		
*Percy G. Harris		June 30, 1984

GENERAL
May 21, 1981

MEMBER	ALTERNATE	TERM EXPIRES
<u>Mental Hygiene Committee</u>		
Peg Anderson (replaces Regent Neu)		July 31, 1983
<u>Iowa College Aid Commission</u>		
R. Wayne Richey		June 30, 1983
<u>University of Iowa Research Foundation</u>		
Percy G. Harris		October 1, 1982
<u>Iowa State University Research Foundation</u>		
*Ann Jorgensen		June 30, 1984
<u>Ad Hoc Banking Committee</u>		
*Peter J. Wenstrand, Chair		Indefinite
Fred W. Nolting		Indefinite
S. J. Brownlee		Indefinite

President Brownlee is automatically a member of the following boards and committees as President of the Board of Regents:

Iowa State University Foundation Board
State Communications Advisory Council
Iowa Centennial Memorial Foundation

President Brownlee noted that the recommendations for committee appointments were made on the basis of personal wishes of board members, the geography involved, and members' inclinations.

MOTION:

Mrs. Anderson moved that the board accept the resignations as outlined above and approve the appointments as outlined above. Mr. Nolting seconded the motion and it passed unanimously.

REPORT ON MEETING OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. It was recommended that the board receive the report on the May meeting of the Iowa Coordinating Council for Post-High School Education.

New officers were elected at the May meeting of the Iowa Coordinating Council for Post-High School Education. The council unanimously accepted the recommendations of the nominating committee for officers to serve the council for the 1981-82 year. C. W. Callison, Superintendent of Southeastern Community College, was elected to the chair. Robert McBride, President of Simpson College, was elected as vice chair.

GENERAL
May 21, 1981

Robert Barak reported to the council that Section 1203 of the Higher Education Act, as amended by the Education Amendments of 1980, establishes a new procedure for state participation in three U.S. Department of Education programs. The three programs are the Continuing Education Outreach Program, administered by the State Board of Regents; and the State Student Incentive Grant Program and the Undergraduate Facilities Grant Program, both administered by the Iowa College Aid Commission. The new procedure requires that states wishing to participate in these programs enter into a Federal-State Relationship Agreement. Among other things, this agreement necessitates the designation of an entity for planning and policy formulation process for postsecondary education in the state.

In February, the Coordinating Council adopted a position recommending that the Governor assign the responsibilities for the overall planning and policy formulation process which is stipulated in the law to the Iowa Coordinating Council for Post-High School Education. This was also the position of the Board of Regents. On May 1, 1981, Governor Ray notified the Secretary of Education that Iowa desired to participate in the three programs noted above and authorized the Iowa Coordinating Council for Post-High School Education to act on behalf of the State of Iowa for the purpose of entering into an agreement with the U.S. Department of Education for these programs. The Governor designated Robert Barak, who serves as permanent secretary of the council, to be responsible for working out the details of the state-federal agreement.

Forrest Van Oss reported on the Lifelong Learning Project. He discussed the recommended rescission of President Reagan and indicated that on May 1 he was advised that the House subcommittee and committee responsible for Title 1-B, Continuing Education, did not go along with the requested rescission. The appropriate Senate committee, as well as the full House and Senate, must act favorably before continued funding would be assured, but a vital first step has been made. Because of future funding uncertainty, the regional clusters are presently not starting new or substantially expanding existing programs. They have begun discussions on their future activities if there is no funding available as in the past.

The council briefly discussed some of the legislative matters pending before the Legislature.

Mr. Richey provided a brief description of his presentation to the Congressional staff in Washington, D.C., regarding the work of the Task Force on federal fund losses that he chaired.

The council discussed legislation developed by a committee of the council several years ago to regulate postsecondary educational institutions in Iowa. It was the consensus of the council that this item should be placed on the agenda for the September meeting so that adequate preparation could be made for the submission of the legislation to the Legislature during its next session. Robert Barak was asked to explore the status

GENERAL
May 21, 1981

of the proposed legislation with the Secretary of State, who would be responsible for registering all postsecondary educational institutions, and the Attorney General's Office, Consumer Protection Division, which would be responsible for prosecuting institutions that were in violation of Iowa's Consumer Fraud Act. The legislation developed by the Council's committee had been discussed with the previous Secretary of State and the previous Attorney General, but no discussions had taken place yet with the new incumbents of those offices.

The council accepted proposals for new programs from the area schools and community colleges and from the University of Northern Iowa.

The council discussed correspondence to the Governor's Office from President Di Pasquale of Loras College concerning a writing project of the Regent institutions being offered in Northeast Iowa which "duplicates" the offerings of the private colleges. This concern was also raised last year. The council passed a resolution asking for an explanation of this situation from the Regent institutions. Further action may be contemplated by the council following receipt of the Regent response. (This has been referred to the University of Iowa.)

Mr. Barak began discussion on the Coordinating Council report by giving updates on some of the items. He explained that Mary Louise Petersen had been active in asking the Governor to designate a week in July as Iowa Education Week.

The Governor's Office has indicated that it would prefer not to have to a situation where it is necessary to make a daily proclamation. The area schools and community colleges have indicated concern about having the Iowa Education Week in July. They feel it would be better to hold it in October because the national association which began this idea has set aside a day for this purpose during that month. Mr. Barak said the Coordinating Council would discuss changing the date for Iowa Education Week at its next meeting.

In regard to the regulation of postsecondary educational institutions in Iowa, Mr. Barak said the council reintroduced some proposed legislation that was drafted several years ago.

Mr. Barak said he talked to the Secretary of State about whether she had any objections to handling the registration of these institutions. She was highly in favor of this. Her one concern was that some of the fee money be given to her agency to cover the cost of doing the registrations.

Mr. Barak said the Attorney General is also in favor of this proposed legislation.

Mr. Barak said the proposed legislation would fill a gap where it is not known what institutions are operating in the state. He will make recommendations about the legislation at the next meeting of the council. He indicated that in September each of the sectors would review the proposed legislation and that the council would take action on it in October.

GENERAL
May 21, 1981

Mr. Richey noted that the proposed legislation would be presented to the constituent boards for action.

He said this legislation would do two things. First, there would be a record of what institutions are operating in the state. Second, this record would contain basic information about the institution. He said such information could be used in any action that might be taken by the Attorney General under the Consumer Fraud Act.

With respect to the Governor's designation of the Coordinating Council as the statewide agency in Iowa to handle the programs under the Higher Education Amendments of 1980, Mr. Richey announced that the council has set a special meeting for June 4 to discuss how it will handle this. Mr. Richey said it would be important for everyone to attend that meeting.

Mr. Richey noted that the designation of the council would give the council official recognition and some additional responsibility. Mr. Barak explained that the implication of this action for the Board of Regents is that it will retain responsibility for the Title I program.

Mr. Richey noted that another item of discussion at the next Coordinating Council meeting would concern extension courses offered at the University of Iowa.

Mr. Brownlee received the report on the May meeting of the Iowa Coordinating Council for Post-High School Education on behalf of the board.

ACADEMIC COMPUTING SERVICES REPORT. It was recommended that the board accept the report entitled Academic Computing Services for Instruction, Research and Public Service dated April 1981.

The Board Office reported that Mr. Richey requested Mr. C. C. Mosier, Chairman of the interinstitutional ad hoc task force, to convene the task force to update a February 1977 report on academic computing services. The current members of the task force are:

C. C. Mosier, Director, Institutional Research, Iowa State University,
Chairman
James W. Johnson, Director, Weeg Computing Center, the University of Iowa
Clair G. Maple, Director, Computation Center, Iowa State University
Jan C. Robbins, Professor/Acting Dean, Graduate College, University of
Northern Iowa
Ted Sjoerdsma, Assistant Professor/Chairman, Computer Science, Iowa State
University
Duane C. Spriestersbach, Vice President, Educational Development and Research
Robert M. Stewart, Professor & Chairman, Computer Science, Iowa State University
Jack Wilkinson, Professor, Mathematics Department, University of Northern
Iowa
James L. Wolf, Director, Academic Computing Services, University of Northern
Iowa
D. J. Zaffarano, Vice President, Research and Dean of Graduate College,
Iowa State University
Wallace C. Caldwell, Board of Regents Staff

The Board Office provided a summary of the report. It noted that academic computing services are available to students and faculty for the instruction, research, and public service functions of the universities.

The report stated some of the typical applications of computing services.

The quantity and quality of academic computing services have improved over the past fifteen years so that the use of the services has increased almost fifteen times as measured by computing time. The increase nearly quadrupled during the past nine years ending with 1979-80. Moreover, the Regent universities estimate that computing time will increase approximately five times during the next decade with similar increases occurring for both instructional and research activity.

Funding for academic computing services has increased in constant dollars at a compound rate of only 2.1% per year during the past nine years while computing time has quadrupled. Funding for 1979-80 in the amount of \$5.9 million consists of \$3.2 million in general funds and \$2.7 million in restricted funds.

Expenditures in 1979-80 dollars per hour of computer time have been reduced from \$1,045 per hour to \$343 per hour during the past nine years. This reduction stems from reduced hardware costs and improved operating efficiencies.

Technology of computer components has changed dramatically during the past decade resulting in smaller computers, expanded and improved computer power, better reliability and lower cost. Technological changes and concomitant cost reductions cause a trend toward use of various sizes of computers in communication with each other to optimize performance per unit cost.

During the next decade or so, unit costs in constant dollars should be reduced still further because significant technological improvements are expected to continue. As costs are reduced, new applications of computing services become economical and demand for computing services increases.

Software is undergoing and will continue to undergo significant change in response to changes in hardware and computing applications. A considerable amount of software will be developed to use the improved hardware capabilities, to communicate among computing units and terminal devices, and to provide for specialized applications. These developments will cause a considerable growth in software costs during the next decade.

Software is now becoming priced separately from hardware. Consequently, costs attributed to software will increase in addition to the increase in software noted above.

According to the report, several approaches may be used to reduce software costs:

1. Developing software locally rather than purchasing it.
2. Purchasing unique software services from a national or regional network.
3. Sharing purchased software among Regent institutions.
4. Sharing locally developed software.
5. Jointly developing application software.

Regent institutions use all of these approaches to reducing software costs and expect to continue to do so.

Communication of data among the Regent institutions and among various computer centers throughout the nation facilitate common use of software and specialized data bases. The trend toward greater use of communications networks among the computers will depend upon the economics, whether among computers on campus, among the Regent universities, or with national computer centers.

The report emphasized the need for greater effort to provide improved user services of the academic computing services during the next decade. Means must be developed to make it as easy as practical for students and staff to use the computing facility. The universities have already recognized the need for more emphasis on user services by increasing expenditures in constant dollars for the purpose by about 70% over the last nine years. Additional expenditures will be required during the next decade in spite of effort toward cost reduction in order to meet the needs of students and staff who will be using approximately five times as much computing time.

The report included a section entitled "Institutional Academic Computing Progress, Plans and Problems" which outlines such information for each of the universities. Each university prepares separately a more detailed five-year academic computing services plan which is updated periodically.

The section from the report entitled "Implications for the Future" summarizes major trends and considerations for the next decade or so.

During its analysis of the academic computing services report, the inter-institutional ad hoc task force recognized that the directors of the academic computing service centers communicate with each other frequently. The task force agreed that the directors' cooperative activity should be recognized by formalizing it as an interinstitutional committee activity.

The Board Office said that the continuing activities of the committee will be to find ways of expanding capability and of reducing unit cost of computing services. Moreover, this activity would support the intent of the Governor's Economy Committee to identify and implement ways of providing equal or improved computing services at reduced costs.

The interinstitutional ad hoc task force recognized the need for a coordinated effort on the matter of word processing and electronic mail.

GENERAL
May 21, 1981

It was recognized that word processing capability is needed throughout all campuses for editing manuscripts, preparing grant proposals, developing instructional materials, and many other purposes. It was thought that one should be able to gain access to a computer from any terminal on campus for both processing data and word processing. It was recognized that stand-alone word processing units have been designed specially for ease of operation by secretarial personnel.

In view of the complexity of a comprehensive word processing and electronic mail system and desire to exchange messages between institutions and the Board Office, the interinstitutional ad hoc task force decided to consider further how the Regent universities might best proceed with the coordination for word processing and electronic mail for academic and administrative purposes.

The Board Office concurred that coordination of plans for word processing and electronic mail is essential to ensure that communications can occur effectively among the universities and the Board Office. Moreover, the universities can save some planning costs by sharing expert personnel. Word processing facilities reduce costs and/or improve productivity of both clerical and professional activities and should be pursued as soon as practical.

In view of these considerations, the Board Office indicated it will coordinate with academic and business officers to establish minimum guidelines to ensure equipment compatibility for a future electronic mail capability unless otherwise directed by the Board of Regents.

The Board Office noted that the institutions will be faced with many questions raised in the report. Consideration of these questions should lead to actions that will upgrade the academic computing centers as demand for service by students and faculty increases during the 1980's.

The Board Office recommended that the board accept the report entitled Academic Computing Services for Instruction, Research and Public Service dated April 1981.

Mr. Richey began discussion by noting that the report Academic Computing Services for Instruction, Research and Public Service had been sent to board members a few weeks ago. He said the report was a really excellent one and contained excellent background on the development and use of academic computing services and the implications for the future.

Mr. Richey introduced Clair G. Maple and Duance C. Spriestersbach, members of the interinstitutional ad hoc task force.

Mr. Maple said that one point which was not made very strongly in the report is the extent to which the computer enhances the quality of

GENERAL
May 21, 1981

education. He cited examples of senior students performing complex mathematic problems which would have been considered to be at the level of Ph.D. thesis material 25 years ago.

He noted that the computer has changed the nature of research on the campuses. He said the more computing that is done on the campuses, the better is the quality of education.

Vice President Priestersbach agreed with Mr. Maple. He said there is currently a revolution of integrating technology into the educational process. A national group has recommended to the National Science Foundation that it form a commission of public, industrial, and educational leaders to study this.

Vice President Priestersbach pointed out that the Regent universities worked very closely and cooperatively on the academic computing services report.

He hoped the board would be able to spend time on each of the campuses looking at some of the applications of academic computing services.

He estimated that academic computing services would grow by a magnitude of 5 in the next decade. Half of this growth, he said, can be accommodated through cost reductions because unit costs are going down dramatically. However, there will be increased costs and there will be problems about priorities placed on this technology.

With respect to the Board Office's suggestion about establishing guidelines for word processing and electronic mail, Vice President Priestersbach said this should be approached with caution. He pointed out that development of hardware is in a state of flux. He hoped the board would not expect a totally compatible system of communication between word processors within the next 12 months because of this highly fluctuating development.

President Brownlee noted that in the past the board has made capital requests for a central computer. It was his impression from the report that this idea was changing and that future capital requests would be for different purposes. Vice President Priestersbach agreed. He said that in the past a central system was needed but that now there is a distribution mode. Technology has made it possible for various hierarchies to communicate with each other through the computer. It is believed to be more efficient to get the computing power as close to the user as possible.

Regent Jorgensen said she totally supports the use of computers and their technology. She felt the academic computing services report addressed the needs of the administration, faculty, and students but that little mention was made of the public service aspect. She pointed out that during **these** difficult economic times the public is questioning what the **universities** do. She said academic computing services is one area in which the board could serve the public especially well.

GENERAL
May 21, 1981

Regent Jorgensen said that Iowa is very far behind in computer technology in agriculture and that this would be an important public service area.

Vice President Christensen agreed that people in other states are far ahead of Iowa with respect to computer applications to agriculture. He said a committee has been appointed to address the use of computers and their relevance particularly with regard to agriculture. He said the committee would appreciate any input.

President Boyd said that another aspect that affects the public service of the universities in regard to computing services is that the universities may not be in competition with the private sector. Many private enterprises are engaged in selling computer services. He said that the people at the universities' computer centers are capable of developing software but that after it is developed the private sector would appropriately take over.

Vice President Moore said that this private sector affects salary competition. Computer technology is one of the areas in which there is strong competition for people and the private sector is able to hire them away from the public institutions because the public institutions have not been able to keep up in the competitive salary race.

Regent Wenstrand said he found the report and its theme that there is a trend toward decentralization very interesting. He said this is an area in which it is not only desirable to have interinstitutional cooperation and effort, but that it is imperative to have this cooperation because of the rapid changes in technology. He was very pleased to see the interinstitutional cooperation.

President Brownlee thanked the committee for its work and a fine report.

Mr. Brownlee accepted the report entitled Academic Computing Services for Instruction, Research and Public Service date April 1981 on behalf of the board.

LEGISLATIVE REPORT - 1981 SESSION. The Board Office reported that the Legislature was moving quickly toward adjournment. The report highlighted issues regarding Regent operating appropriations, capital bonding, salary recommendations of the Governor, and federal funds appropriations by the Legislature.

Mr. Richey started the discussion on the Legislative Report with comments on Senate File 552. This is the major education operating appropriations bill. It passed the House on a vote of 76-17. Motions to reconsider kept the bill on the House Calendar. Mr. Richey noted that the bill was returned to the Senate.

GENERAL
May 21, 1981

An amendment was proposed to the bill which would change the definition of abortion. The House Committee at first removed the abortion provision and then put it back in with a broader definition. Mr. Richey said the bill would probably be approved by the Senate and that the Senate would accept the amendments. Any dispute would be on the new definition in the anti-abortion amendment. He noted that no other changes were made in sections of the bill that affect the Regents.

He noted that the level of appropriation in the bill was that reported out by the joint subcommittee. This amount is about \$450,000 a year less than the Governor's recommendation. There were no specifications as to where the reductions should take place.

Mr. Richey said the bill included a subvention for the College of Osteopathic Medicine and Surgery. Regent Neu asked if this subvention would cover only the students already in the program. Mr. Richey answered yes. There were major attempts to add to this subvention but they were unsuccessful.

Mr. Richey then turned to Senate Concurrent Resolution 35 and the tuition replacement bill, Senate File 575.

The Board Office reported that both of these measures had been reported out of the Senate Appropriations Committee to the Calendar for debate. Both measures deal with the Board of Regents' bonding program. Senate Concurrent Resolution 35 would set out the subcommittee bonding program and authorize sale of \$56,335,000 in bonds over the next two years with a limit of \$20 million on bonds authorized during FY 1982.

The tuition replacement bill would provide \$4 million for this purpose for FY 1981-82 and \$4.9 million for FY 1982-83. In terms of tuition replacement appropriations for new bonding, the bill would provide appropriations of \$100,000 for FY 1982 and \$1,150,000 for FY 1983. Also, this bill would rescind \$12,566,000 in appropriations deauthorized by the 1980 Session for capital purposes and reappropriated effective July 1, 1981. The Board Office said that for the most part, those funds have been converted to bonding in the bonding proposal.

Mr. Richey said that Senate Concurrent Resolution 35 and the tuition replacement bill were reported out as recommended by the Joint Subcommittee on Educational Appropriations. They would provide for bonding of \$20 million the first year and \$36 million the second year. In the third year there is an implication of bonding of \$32 million.

Mr. Richey noted that the basic difference between these bills and the Governor's recommendation is that they staggered the amounts over the two years differently. The bills also included additions to the communications art building at the University of Northern Iowa, the law building at the University of Iowa, and a planning clinic.

GENERAL
May 21, 1981

Mr. Richey pointed out that the bill had not been debated by the Senate. He was uncertain of its reception by the House. He told the board that it would need to take action if the bonding is authorized by the time of the June meeting. He noted that there are several million dollars worth of contracts outstanding for which the board must have bonding in order to complete them. He said the board would have to adopt a bonding resolution but there was a question about for how much it would be. He said a recommendation would be made to the board at its June meeting on allocation of bonding money and adoption of resolutions to start the bonding process. Bond sales would be scheduled in July.

In answer to a question from Regent Wenstrand, Mr. Richey said the amount of bonding would be \$20 million if the Senate approved the bill. This would be for all three universities.

If conditions deteriorate further in the financial market, Regent Wenstrand asked, would the board have the flexibility to sell some of the bonds in July so that it would have money that it needed and then sell the rest of the bonds when the financial market is better. Mr. Richey responded that there is some possibility of doing this but that there could be some cash flow problems for the universities which would make it necessary for the board to enter the market. He also pointed out that an economical size of a bond is necessary because of the cost of issuance. He noted that the Board Office would be in touch with the board's financial consultant, Mr. Speer, on this topic.

Mr. Richey reported that the Governor had made his salary recommendations to the Legislature. Those recommendations were incorporated into House File 875 which was passed by the House. The bill includes the salary for all state employees, including state executive appointments.

Merit system employees would get an 8% across the board mandated increase with no step increases. There would be no merit increases for the biennium.

With regard to professional and scientific employees and faculty, the Regents would have discretion on how to handle the salary increase. Mr. Richey noted that in the past the professional and scientific employees have generally received an across-the-board minimum increase with a substantial amount set aside for merit discretionary increases. Mr. Richey said the board would need to address the salary issue at its June meeting.

The next item discussed was House File 850. The Board Office explained that this is the comprehensive operating appropriations for the Department of Transportation. It is significant because the Senate amended the bill to provide a means of financing the West Campus Roadway at the University of Iowa. The amendment would provide that in the event the 69th General Assembly authorizes an increase in the gasoline tax, it is

the intent of the General Assembly that an amount equal to \$1 million be appropriated from the road use tax fund during the next biennium. Half of the \$1 million would be paid back in an interest free loan over ten years at \$50,000 per year from the additional funds allocated to the Board of Regents' institutional road fund. The other \$500,000 would be a grant. The additional costs for the project (up to \$500,000) would come from the institutional road funds of the Board of Regents. The total cost of the project is \$1,430,000.

Mr. Richey said the board is fortunate that the West Campus Roadway is included in this bill. He pointed out that the appropriation is tied into proposed legislation for a fuel tax increase. This bill has passed the Senate.

Mr. Richey pointed out some other bills of interest to the board. House File 643 would allow a governmental body to discuss strategy in matters relating to employment conditions of employees of the governmental body not covered by a collective bargaining agreement under Chapter 20 in closed session. The bill has been signed by the Governor and is effective July 1.

Senate File 146 was passed and sent to the Governor for signing. This bill would increase from \$10,000 to \$25,000 the procedures which need to be followed by the Board of Regents if work is done by outside contract. It also would change to a \$25,000 ceiling those projects which would require a public hearing prior to initiation of the work.

Another bill relating to contracts is Senate File 225. It deals with retainage. It would provide for a straight across-the-board 5% retainage level through the life of the project and provision for payment of interest to contractors under certain conditions if final payment is withheld without cause for more than 70 days after the work on the contract has been completed. This bill has been signed by the Governor. The Board Office believed the effective date to be September 1.

Senate File 479 would create and establish within the Department of Agriculture, the office of state entomologist, who shall be appointed by, responsible to, and under the authority of the Secretary of Agriculture. This was a recommendation made by the Governor's Economy Committee. The Board of Regents indicated to the Legislature that this legislation was all right with it.

House File 849 deals with the operating appropriation for mental health. The bill would appropriate \$231,000 for FY 1982 and \$242,000 for FY 1983 to the Iowa Mental Health Authority. The State Mental Health Advisory Council would receive appropriations of \$52,000 for FY 1982 and \$54,500 for FY 1983. The continuation of both of these appropriations is dependent upon legislative action on a unified state mental health agency.

GENERAL
May 21, 1981

Mr. Richey said a very important bill was House File 860 which relates to a cap on the number of state employees. The Board Office explained that the bill would give the State Comptroller sole power to determine the actual full-time equivalent positions in executive and legislative branches of state government for FY 1980-81, which fiscal year shall be designated as the base year. The bill would provide that the actual full-time equivalent positions in the executive branch in each of the next two fiscal years would not exceed the actual full-time equivalent positions in the executive branch as determined for the base year.

The Board Office noted that several amendments have been filed which would make the bill more workable for Regent institutions and recognize the board's role in this process.

The first amendment would make the Board of Regents responsible for monitoring all employee positions, rather than the State Comptroller; however, that amendment still puts the ceiling on the base year total of full-time equivalent positions.

A second amendment would limit the base to positions supported by state appropriations and would also allow additional positions to be added to adjust for increases in student enrollments or increases in patient care services at institutions under the control of the Board of Regents and the Department of Social Services.

Mr. Richey noted that if enrollment increases, this bill would not allow the Regent institutions to hire additional personnel to handle the increase. Mr. Richey said the bill would not be workable for the Regents without some amendments. He noted that the Governor has some reservations about this bill.

In response to a comment from President Brownlee that this bill appears to be dead for this session, Mr. Richey pointed out that it would carry over to the next session. President Brownlee said that unless there were objections from board members, this bill would be a major priority for the board. There were no objections.

Mr. Richey said that Senate File 561, which would provide for a fuel tax increase did not pass. He said it was possible that there would be a scrimmage on this bill.

Senate Concurrent Resolution 32 states that the business of any extraordinary session occurring before the convening of the 1982 regular Session of the 69th General Assembly shall consist solely of consideration of a plan for Congressional and Legislative redistricting and changes in appropriations necessary because of actions by the United States Congress relating to block grants and categorical grants. Mr. Richey explained that a bill had been introduced which would provide for handling of federal funds. He said the bill, after some amendment, was satisfactory for the Regents and would allow the board to operate in much the same manner as it has

GENERAL
May 21, 1981

been operating in terms of the entrepreneurship of faculty, student aid, funds for University Hospitals, and other areas.

Mr. Richey noted that Senate Concurrent Resolution 30 is the standard resolution adopted during each of the past few years which refers all resolutions not adopted by both houses calling for studies of various types to the Legislative Council for recommendation. He noted that some of these items, such as the study of bidding laws, are related to the authority of the Board of Regents. He said the board would be very involved in the steps taken by the Legislative Council as it carried out these studies.

Regent Neu asked if there was any new information on the bill which deals with an audit of the Board of Regents. He wondered if an outside group would be hired to conduct this audit.

Mr. Richey said there has been no detail on this bill. He said the board strongly suggested to the Legislature that it handle this by using the steps in the established structure. The board has already spent much time informing the appropriate people on this topic and to begin again would mean that a lot of time was wasted going through the budgeting process. He was hopeful the Legislature would use one of its regular committees or the Joint Subcommittee on Educational Appropriations to conduct the audit rather than hiring a major consulting firm. He pointed out that the board would have to match the costs of an audit on a dollar for dollar basis.

In answer to Regent Anderson's question, Mr. Richey said it has not yet been determined that there will be an audit of the Board of Regents. Under Senate Concurrent Resolution 30, the Legislative Council would determine what is to be done and how it will be done. This issue will not have to go back to the Legislature.

Senate Study Bill 423 would provide that if the state comptroller's month report due on or about November 30, 1981, on receipts of the general fund indicates that the actual receipts for the first five months of the fiscal year beginning July 1, 1981, are less than five point eight percent more than the receipts for the same five-month period in 1980, the appropriations from the general fund, except the appropriation made in section 442.26, for all departments and agencies for the fiscal year beginning July 1, 1981, shall be reduced by one percent on an annual basis. The Board Office noted that this could become an important measure. Mr. Richey noted that this may not be acted upon.

President Kamerick asked if Senate File 551, which deals with public revenue bounds would affect the University of Northern Iowa Foundation. Mr. McMurray told him it would not.

REPORTS OF AFFILIATED ORGANIZATIONS. Three recommendations were made to the board. First, it was recommended that the board receive the reports of the University of Northern Iowa Foundation, the University of Northern Iowa Alumni Association, and the Iowa State University Stanton Memorial Carillon Foundation. Second, it was recommended that the board request that the University of Iowa Foundation provide a financial statement and/or audit report for completion of its annual report. Third, it was recommended that the board resolve that future affiliated organization annual reports will be provided by the institutions to the Board Office and will then be sent to board members with the Board Office comments. They would be placed on the agenda for a board meeting only upon request of a board member or recommendation by the Board Office.

The Board Office explained that since 1975, it has been a board policy that "All affiliated organizations of the institutions under the Board of Regents are required to submit reports of their activities at least annually to the board, based on a systematic schedule developed by the Board Office." (Procedural Guide, page I-25). It was intended, through this policy, that the board would receive regular reports from the corporate entities related to the universities. At the present time, 18 affiliated organizations are scheduled to report annually to the board.

Under current practice, each affiliated organization report is placed on the agenda for a board meeting with recommendations by the Board Office. It was recommended that in order to conserve board meeting time, future reports should be placed on the agenda only upon special request of a board member or upon the recommendation of the Board Office. The universities should continue to provide affiliated organization annual reports according to the established schedules. The Board Office will continue to review and comment on the reports before forwarding them to the board. Reports, with the Board Office comments, will be mailed directly to board members. If questions, concerns, or matters of particular interest arise, board members may request or the Board Office may recommend consideration at the next board meeting.

President Brownlee said that this recommendation was made at his suggestion. He felt that board members would be better able to study these reports if they receive them directly from the Board Office rather than in the docket. He pointed out that board members could then direct their questions to the organizations or institutions and request that a report be docketed if they wish. Regent Harris said this was an excellent suggestion.

MOTION:

Dr. Harris moved that the board resolve that future affiliated organization reports will be provided by the institutions to the Board Office and then be sent to board members with the Board Office comments and that they be placed on the agenda for a board meeting only upon request of a board member or recommendation by the Board Office. Mrs. Murphy seconded the motion.

Regent Wenstrand said it should be understood that this action would not deemphasize the activities of the organizations. He said the board does appreciate and understand the functions of these organizations.

VOTE ON MOTION: The motion passed unanimously.

- a. University of Northern Iowa Foundation. The foundation indicated that it raises funds through three major programs: annual giving, capital campaigns, and deferred giving. In the year ending December 31, 1980, contributions of \$923,978 were substantially greater than in the preceding year. Total receipts were \$1,076,942, and expenditures for program services and supporting services were \$330,130. Program services include scholarships, designated projects, and payment of Dome debt interest. The fund balances increased by \$746,812, for end of year fund balances of \$1,355,390. Bond debt for the University of Northern Iowa Dome was reduced from \$600,000 to \$415,000.
- b. University of Northern Iowa Alumni Association. For the year ending December 31, 1980, the Association reported total receipts of \$77,272. Life membership dues, annual membership dues, and interest income accounted for over \$54,000 of this total. Expenditures totaled \$38,290 and included general expense, promotion and premiums, legislative expense, and expenses for several special activities. The total increase in the fund balance of \$38,982 increased the fund balance from \$87,844 on January 1, 1980, to \$126,826 on December 31, 1980.
- c. Iowa State University Stanton Memorial Carillon. The annual report indicated a fund balance as of March 31, 1981, of \$47,161, reduced from \$50,513 on January 1, 1980. Previous year balances had been \$46,831 on December 31, 1978, \$49,018 on December 31, 1977, and \$46,300 on December 31, 1976. The university indicated that the disbursements listed for the period January 1, 1980, to March 31, 1981, include payments for maintenance, music, supplies, and expenses for the 1980 Congress of the Guild of Carillonneurs of North America (including a carillon composition competition). Miscellaneous receipts include payments for the Congress.
- d. University of Iowa Foundation. The foundations' 1980 annual report, marking its silver anniversary year, reported a 25-year cumulative gift, pledge, and bequest level of over \$100 million. The number of annual contributors to the foundation surpassed 25,000 for the first time. Gifts, pledges, and bequests increased 38 percent over the total for 1979. Total gifts and deferred income for 1980 were \$24.6 million, compared to \$17.8 million in 1979. Much of the increase was due to results of the 1980 Hawkeye Arena/Recreation campaign, which raised \$8.5 million in 12 months. The number of foundation contributors increased by 3,301, and membership in each of the honor clubs, recognizing substantial gifts, increased significantly.

GENERAL
May 21, 1981

In regard to the Board Office's recommendation that a more detailed financial statement or audit report be provided to the board, Mr. Richey indicated that this had recently been received.

Mr. Brownlee received the reports of the University of Northern Iowa Foundation, the University of Northern Iowa Alumni Association, the Iowa State University Stanton Memorial Carillon Foundation, and the University of Iowa Foundation on behalf of the board.

MOTOR VEHICLE LIABILITY AND PROPERTY DAMAGE INSURANCE - STATEWIDE PLAN PARTICIPATION, 1981-82. It was recommended that the Regent institutions participate in the state motor vehicle liability and property damage insurance plan in FY 1981-82 on an experimental basis and that the Board Office in cooperation with the institutions make a comprehensive review of the costs and benefits during the first year to determine whether continued participation is warranted.

The Board Office provided the following supporting information. It said the proposed joining of Regent vehicle liability and property damage insurance with those of other state agencies is a further indication of Regent intent to cooperate in such joint ventures where it may be beneficial to both the state and Regent institutions. The recommendation to participate was decided upon after consultation with university officials. It was agreed that for 1981-82, savings would probably be marginal, if any; yet, there was a willingness to try the state plan on a one-year experimental basis.

In 1976-77, Regent vehicle insurance purchasing responsibility was delegated to the campuses when efforts to contract on a Regent-wide basis resulted in no bids being received. Insurance companies at that time apparently were unwilling to bid a fixed insurance premium given claims experience of the institutions. All Regent institutions are currently independently insured. Board policy does not require that purchases of insurance be reported to the board provided that the executive secretary has determined there are no unusual circumstances which require the attention of the board.

In 1977, the state passed legislation creating a division of Risk Management in the Department of General Services. The scope of the act creating this division indicated that the Board of Regents would come under the act in terms of "loss and loss exposure" July 1, 1980. The act excluded loss and loss exposures for Regent revenue producing facilities that are required to carry insurance under bond covenants. Guidelines of the act indicate that "the State Board of Regents shall share in the management of property loss exposures and liability risk exposures involve institutions under the jurisdiction of the board."

GENERAL
May 21, 1981

In February, 1981, the Division of Risk Management requested vehicle risk management information to determine the feasibility of Regent institution participating in an existing auto liability insurance contract with the Employers Mutual Insurance Company. The contract currently covers the state's primary fleet under the Department of General Services and the Department of Transportation.

At a meeting held in March 1981, the current insurer explained the working of its policy in terms of services, costs, and coverage. The state policy has a liability limit of \$1,000,000 combined single limit per occurrence. This is approximately twice the coverage of each Regent institution at present. The premium was described as experience rated on a retrospective rating plan. This means that the final premium each year depends on the losses that occur during that year. Each institution is required to pay a deposit premium in quarterly amounts based in part on prior experience with actual costs resulting in a subsequent additional charge or credit. Regent participation would add 1,019 rated vehicles for a total of 5,818 vehicles rated by the policy. Non-rated vehicles are also covered.

The state risk manager supplied detailed information indicating minimum, maximum, and initial required deposit premiums.

The Board Office noted that in 1980-81 dollars, costs have been reduced significantly since 1976-77. Premiums in 1980-81 dollars would have been \$131,122 in 1976-77 compared to \$98,500 for 1980-81.

At four of the institutions, state final premium estimates indicate savings for 1981-82. Iowa State University estimated that participation in the state plan may cost as much as \$9,000 above 1980-81 premiums. Based on the recent favorable claims experience of the university, it is possible that final premiums for 1981-82 would result in small costs or savings compared to current year premium. If the final premiums result in inequitable costs for Iowa State University, said the Board Office, this should be addressed as part of the review of the program.

A review of the state premiums indicated a potential for substantial cost saving, according to the Board Office. At the same time, a severe winter in 1981-82 could result in costs beyond the required deposit premium.

Regent institutions indicated concern over entering the state insurance plan without competitive bidding. The Board Office said purchasing ethics and current Department of General Services policy preclude independent bid procedures by Regent institutions, if they are to participate in the existing state plan.

The Board Office said the services offered under the state's insurance policy appear to be acceptable to Regent institutions at this time. Regent institution participation in the state vehicle liability and property

GENERAL
May 21, 1981

damage plan should be based on Regent policy to cooperate when there appears to be potential advantage for the state and Regent institutions through such participation. The Board Office said this should not understate institutional concern relating to the uncertainty of final premiums. It was underscoring the enhanced coverage, the premium payments that improve institutional cash flow, and the potential for reduced premiums for all state vehicles based on continued favorable claims experience and on competition among insurance carriers for the state's future business.

The university business officers have been consulted on this proposal and have agreed that it should be undertaken on a trial basis for one year even though it may not result in cost savings.

Mr. Richey pointed out that this plan was only for vehicle liability insurance and not for any other kind of insurance.

He said participation in this plan was being proposed in order to learn the effect on the insurance rates for Regent institutions and for the state. He said it was in the interest of the institutions to participate in the plan although there may not be any immediate monetary savings and there may be some increase in cost.

Mr. Richey noted that institutional representatives had agreed they should do this as a statewide cooperative effort. He said these kinds of efforts are an indication to the Legislature that if programs such as this are done on a selective basis where it is of mutual interest to the parties involved, there is no need for mandated statewide insurance or purchasing policies. This would help the board maintain its leadership position in establishing such policies and procedures.

President Brownlee asked Mr. Richey to review the mechanisms used for insurance in the past and how the proposed plan would work. Mr. Richey explained that until two or three years ago, insurance was purchased on a Regent-wide basis. Contracts were let through the Board Office with the involvement and cooperation of the institutions. There was a problem in getting bids and this responsibility was remanded to the institutions. In the last three years, each institution has contracted with its own carrier.

He noted that their coverage has been approximately the same as under the proposed policy. Some of the institutions carry coverage for casualty losses, especially for vehicles involved in auxiliary enterprises. He said the institutions would have to assess whether they should carry that kind of coverage separately in the future. He emphasized that the state insurance plan is only for liability insurance.

Regent Wenstrand wondered how Regent institution participation would affect the state plan. He asked if the state was merely offering to let the Regents participate or if they really want the Regents' participation.

Mr. Richey answered that the state really wants the Regents to take part in the plan. He was not sure how this participation will affect the plan since it uses a retrospective rating system. He said the institutions were willing to try the plan and see what can be learned. This would help to avoid a mandated policy.

Regent Nolting asked if the use of the words property damage in the recommendation were appropriate. Vice President Madden explained that the phrase refers to damage to the property of others that a vehicle might hit. It does not refer to comprehensive damage to a Regent vehicle.

MOTION:

Mr. Nolting moved that the Regent institutions participate in the state motor vehicle liability and property damage insurance plan in FY 1981-82 on an experimental basis, and that the Board Office in cooperation with the institutions make a comprehensive review of the costs and benefits during the first year to determine whether continued participation is warranted. Mr. Wenstrand seconded the motion and it passed unanimously.

SEMI-ANNUAL REPORT ON REGENT PURCHASING OPERATIONS. It was recommended that the board accept the semi-annual report on Regent purchasing operations and direct that the committee submit annual reports in the future.

The Board Office noted that the Regent Procedural Guide requires semi-annual reports to the Regents on institutional purchasing activity.

The Board Office said a general purchasing survey covering policy, procedure, and operations is underway. The objectives of the survey are to determine whether institutions are in compliance with statutory requirements and Regent policy, to report progress made in the development of the purchasing function since the previous general survey in 1968, to delineate problem areas and potential resolution, and to recommend any needed changes in Regent purchasing policy and procedure to improve Regent oversight of the purchasing function. The report is projected to be completed in Fall, 1981.

GENERAL
May 21, 1981

The Board Office listed several topics discussed at the January 27, 1981, meeting of the Regent Ad Hoc Purchasing Committee. It also noted the agendas for meetings of the Ad Hoc Purchasing Officers and the Interagency Ad Hoc Purchasing Group.

The Board Office summarized information contained in institutional narratives. The narratives included such topics as price and competition, cooperative purchasing ventures, Iowa State Industries, administrative procedures, cost saving procedures, professional development, and semi-annual purchasing statistics.

The Board Office recommended that the semi-annual report and institutional exhibits be accepted and that future reports be made on an annual instead of semi-annual basis. It pointed out that this recommendation should not be taken as an indication that the work of the committee would be diminished in any way. It also noted that special reports will be made as needed in addition to the annual reports.

Mr. Richey opened discussion by noting that the report on Regent purchasing operations has been made semi-annually for several years. He said the Regent Ad Hoc Purchasing Committee is a very useful one and that the members are quite dedicated. By virtue of their work over the past several years, he said, there is now an ongoing operation and the committee does not need to report to the board semi-annually. He noted that an annual report would meet the practice of the board with respect to similar operations.

Mr. Richey emphasized that an annual report would not diminish the activity of the committee in attempting to coordinate and cooperate on purchasing.

President Brownlee asked if there were any objections to changing to an annual report on Regent purchasing operations. There were none.

MOTION:

Dr. Harris moved that the board accept the Semi-Annual Report on Regent Purchasing Operations and direct that the committee submit annual reports in the future. Mrs. Murphy seconded the motion and it passed unanimously.

PROPOSED ADMINISTRATIVE RULES ON PURCHASING. It was recommended that the board receive the report on the proposed administrative rule on purchasing and reaffirm its action on the rule as originally submitted.

The Board Office explained that earlier this year, the board approved some proposed amendments to Chapter 8, "Purchasing," of the Iowa Administrative Code. These rules were submitted to the Iowa Administrative Rules process. The rule provides for a bidder to have a hearing before the board when bid security furnished by a bidder is proposed to be retained.

The rules process provides for an opportunity to make oral presentations regarding the proposed rules. A request for presentation was made by Master Builders of Iowa. A hearing was held on May 11, 1981, in accordance with Regents' procedures. At this hearing, presentations were made by Mr. Kenneth Lewis, General Manager of Master Builders of Iowa, and Mr. John Rossi, an attorney representing Master Builders of Iowa.

The Board of Regents rules on bid security for construction contracts, 8.6(2)"d" of the Iowa Administrative Code, state that bid security shall be agreed upon as the measure of liquidated damages which owner will sustain by failure, neglect, or refusal of bidder to deliver a signed contract stipulating performance of the work and on qualified compliance with the contract documents within ten days after notification of award of contract is given. The Board Office explained that in previous instances, when there was a question of retaining bid security in accordance with the contract documents, bidders have been given the opportunity to appear before the board at the time the question of bid security was considered. However, the board has not had a formal requirement that a bidder be given that opportunity. This rule formalizes the procedure and gives a bidder an opportunity for a hearing before the board when bid security is recommended to be retained. A decision would be rendered following the holding of a formal hearing, should such a hearing be requested by the affected contractor.

Master Builders of Iowa recommended that the rule be amended to provide procedurally for a contractor to withdraw a bid without penalty. The Board Office said the proposed amendment to the rules by Master Builders of Iowa went beyond the original intent of the filing. The board rule provides for a procedure to hold a public hearing when bid security is recommended to be retained.

The Board Office noted that the board has always treated questions relating to bids and bid security as individual cases and considered them individually on their merit. That process would continue under the rule submitted by the board. Under the Master Builders' amendment, the procedures for determining the outcome of such hearings would be made part of the rule. Adoption of the Master Builders' amendment would substantially change the effect of existing rule 8.6(2)"d". That rule is not subject to reinterpretation under the board's current submittal.

The Board Office recommended that the board reaffirm its action in adopting the rule to provide the bidder with an opportunity for a hearing before the board when bid security is recommended to be retained.

Mr. Richey explained that the proposed rule would provide that the board give a protesting contractor a hearing with respect to the board's intended action on bid security on a project if it is requested. He noted that the rule formalizes former board practice. It was developed on the advice of legal counsel.

Mr. Richey explained that the board acted on this rule a few months ago. When rules are proposed under the Administrative Procedures Act, anyone wishing to comment or make suggestions is entitled to request an administrative hearing on the proposed rule. The Board Office held such a hearing and objections and recommendations were made by Master Builders of Iowa. He said the Master Builders proposal would make the rule go beyond the process of a hearing and into the substance of the board's considerations on retention of bid security.

The Board Office reviewed Master Builders' recommendations and felt it was not in the best interest of the board to go into detailed specifications in the policy but that the board should continue its present policy.

In answer to President Brownlee's question, Mr. Richey said it was technically necessary for the board to reaffirm the rule after holding the administrative rules hearing.

Regent Neu noted that under the board's rule, the board would be free to go into the substance of why a bid security was being retained.

MOTION:

Mr. Neu moved that the board receive the report on the proposed administrative rule on purchasing; and reaffirm its action on the rule as originally submitted.
Mr. Nolting seconded the motion and it passed unanimously.

REPORT ON ENROLLMENT PROJECTION PROJECT. It was recommended that the board receive the report on the Iowa Enrollment Projection Project.

The Board Office explained that over the years, there have been a number of attempts at projecting enrollment trends for Iowa's colleges and universities. None of these attempts have been very accurate even when measured by rather loose national standards, primarily because they were one-time attempts, each using different methodologies. Enrollment projection models and methodologies need to be fine tuned over several years by revising the basic assumptions following an annual evaluation of the projection results. Unfortunately, this has never occurred in Iowa due to the one-time approach, in which the same methodology was never utilized twice.

GENERAL
May 21, 1981

This lack of an agreed-upon, reasonably accurate enrollment projection model puts Iowa's colleges and universities at somewhat of a disadvantage in terms of planning for future enrollments.

In 1977, the Interim Education Study Subcommittee of the House Budget Committee of the Iowa House of Representatives decided that one more study should be made to project the enrollment of postsecondary education in Iowa for each year from 1978 through 1986. This research project was done by Professors Duane D. Anderson and Robert E. Engel of the University of Iowa and Dr. Robert Ellinger, a demographer and computer programmer of the University of Iowa. The project resulted in not only an additional set of enrollment projections, but a computer model for generating enrollment projections. In the development of this model, the university staff consulted with most of the other sectors of postsecondary education in Iowa. Following acceptance of this report by the legislative committee, it appeared that this model would be shelved without any attempt to revise and update it for use in subsequent years. Robert Barak of the Board Office sought assistance in updating from the Regent institutions, but they were unable to undertake a refinement and testing process. Dr. Barak, with the encouragement of former President Petersen, obtained the cooperation of representatives of other sectors of postsecondary education in Iowa and influenced the development of a similar five-state enrollment projection project funded by the Ford Foundation and carried out under the auspices of the National Center for Higher Education Management Systems (NCHEMS). This project includes Iowa as one of the five pilot states through the office of the State Board of Regents. The Ford/NCHEMS/Iowa Enrollment Project has gotten underway with the assistance of an advisory committee consisting of three representatives of each of the sectors of postsecondary education in Iowa. Iowa began the project at somewhat of a disadvantage because it did not have an appropriate data base nor a fully-developed enrollment projection model necessary for the completion of the five-state project. Consequently, Dr. Barak sought a supplemental grant that would provide the resources necessary to establish the appropriate data base and provide for further development of the enrollment projection model. The latter grant is now in the final stages of negotiation.

These two grants, which will total about \$60,000, will provide the resources necessary to develop the data base, the enrollment projection model, and provide for several runs of the model as well as the expenses of the advisory committee. At the end of the project Iowa, along with the other four states, will have an opportunity to present its experience and findings at a national conference sponsored by NCHEMS. It is hoped that the model will result in a reasonably accurate projection for all postsecondary educational institutions in Iowa. It is anticipated that at the end of this two-year Iowa project, a statewide meeting will be held in which the enrollment projections will be discussed and outside experts will be brought in to discuss the implications of these projections for Iowa and each of its colleges and universities. This will provide an opportunity for Iowans to do some detailed thinking about enrollment projections for all of postsecondary education as well as the ability of

GENERAL
May 21, 1981

institutional administrators to consider the implications of the projections for their institutions, faculty, and students. In addition, the independent institutions which, in some cases, do not have well-developed institutional projection techniques, will be provided with individual institutional enrollment projections.

The Board Office said this project has demonstrated once again the ability of Iowa colleges and universities to cooperate voluntarily in activities aimed at improving and maintaining the quality, diversity, and access of higher education in Iowa. The Board Office will serve as fiscal agent for these grants.

Dr. Barak stated that this is a cooperative project of the area schools, community colleges, private colleges, and Regent institutions to develop enrollment projections for all postsecondary education in Iowa. He said that when individual enrollment projections for each sector are added together, the total is more than the potential pool. Dr. Barak said this project would provide tools to give some direction for future planning in postsecondary education.

Regent Harris did not think it was unusual that the enrollment projections would total more than the potential pool because the colleges in the different sectors use different bases. He noted that private colleges would depend on some out-of-state enrollment. Dr. Barak said that even when taking this into consideration, there are too many in the projections.

He noted that these projections would provide other information that has not been previously available, such as high-low ranges. Every institution will be able to see a range of projections depending on circumstances. The model has the capability of dealing with all kinds of assumptions, such as what would happen if there is a cut in federal aid.

Mr. Brownlee received the report on the Iowa Enrollment Projection Project on behalf of the board.

MERIT SYSTEM PAY PLAN HEARING. It was recommended that the board re-schedule the public hearing on the Merit System Pay Plan for June 3, 1981, at 8:00 p.m., on the campus of Iowa State University.

The Board Office explained that the hearing was originally set for May 6. It was postponed because state salary policy for the 1981-83 biennium had not yet been established. The Governor's recommendation is now available and the Board Office proposed to proceed with the hearing so that final recommendations on the Merit System Pay Plan can be presented for board action in June.

GENERAL
May 21, 1981

President Brownlee explained that the board holds a hearing on the pay plan to give merit employees an opportunity to express opinions about the plan to be adopted for next year. These hearings are required by law.

Mr. Richey pointed out that the proposed salary bill specifies what will be in the pay plan. Each step and pay grade is to be increased by 8%. Merit employees will not receive merit step increases in the next biennium.

He said the board would consider the employees' comments and institutional comments about the proposed pay plan at the June board meeting when it sets preliminary budgets for the next fiscal year. The institutions will plan their preliminary budgets on the basis of the recommended pay plan. If there are changes in the plan, the institutions will have to change their preliminary budgets.

Mr. Richey noted that one or two board members need to be present at the pay plan hearing. Regent Anderson volunteered to attend.

MOTION: Mr. Wenstrand moved that the board reschedule the public hearing on the Merit System Pay Plan for June 3, 1981, at 8:00 p.m., on the campus of Iowa State University. Mr. Neu seconded the motion and it passed unanimously.

PETITION FOR ORAL HEARING. It was recommended that the board deny the petition of O'Brien Electrical Contractors, Inc., for an oral hearing before the board.

The Board Office said that O'Brien contractors, Inc., on behalf of its subcontractor, Kleiman Construction, Inc., Cedar Rapids, Iowa, was requesting the board to require its Owner's Representative at the University of Iowa to enter into arbitration with the contractor concerning a dispute involving placement of concrete for the structural first floor slab on Substation "U" Control Building on the Campus Electrical Improvements project.

The condition of the slab was reviewed by Shive-Hattery & Associates which recommended rejection of the slab as placed. The slab was also inspected and reviewed by Stanley Consultants, Inc. which stated that "the Control Building floor slab as constructed is defective and does not constitute the slab for which you contracted. The slab does not meet industry standards in terms of a level surface and the concrete matrix has certainly been weakened by movement in the formwork."

The Owner's Representative, utilizing the advice from the two consultants, informed O'Brien Electrical Contractors that it had been determined that the current slab was totally unacceptable and must be removed. The

GENERAL
May 21, 1981

contractor made three requests of the Owner's Representative. Two of these requests were denied. The requests denied were, first, a claims for damages and additional costs and, second, a request for arbitration regarding this claim. The contractor also requested an extension of time. The Owner's Representative stated that as soon as a revised schedule for the Control Building could be determined, the contract should submit a revised project schedule and then the appropriateness of the request for a time extension would be reviewed. The Owner's Representative also stated that "If you fail to commence the demolition of replacement work by May 1, 1981, we will pursue our remedies and terminate the contract under Section 13.2 of the General Conditions of the specifications, or correct the default ourself and charge the cost to you as per Section 12.2.5 of the General Conditions of the specifications."

The Board Office pointed out that the petition for an oral hearing from O'Brien Electrical Contractors spoke only to the denial of arbitration by the Owner's Representative.

The University of Iowa requested that this petition be denied. The petitioner based its request for a hearing on the argument that the arbitration clause in the contract is harsh and oppressive. The clause, a standard item in all construction contracts entered into by the Board of Regents, read as follows: "Any questions of a decision of the Owner's Representative may be submitted to arbitration by mutual agreement of the parties of the contract."

The Board Office said the language clearly leaves submission of claims to arbitration to the discretion of the parties and clearly is not oppressive. Even if the clause mandated arbitration, the Iowa law declared that such a mandate is unenforceable. The arbitration clause merely restates current Iowa law.

In the present case, the university determined that it is not in its best interests to participate in arbitration because the contractor's claim is capricious and because there can be no further delay on this construction project. The reports from the two outside consultants strongly indicate that the problem can be cured only by removal and replacement of the slab. There is simply no legitimate issue to be arbitrated.

The Electrical Substation project, which is required to supply power to the new addition at University Hospitals, is already behind schedule. Further delays involved in the arbitration proceeding would exacerbate an already difficult situation.

The Board Office said that denial of the petition for an oral hearing would return this matter to the institutional level and the orders of the Owner's Representative would stand.

Mr. McMurray, in regard to the contractor's claim that the arbitration clause in the contract is capricious, told the board that in a recent court decision the type of clause used by the Board of Regents was ruled to be the only type enforceable.

GENERAL
May 21, 1981

He said that by denying the petition for oral hearing, this matter would be remanded to the institution and the directions given by the Owner's Representative would stand. If the petition was not rejected, the board would be interjected into a situation in which the board has traditionally delegated matters relative to ongoing construction projects on the campuses. He did not feel there was any reason for the board to interject itself into this project.

Mr. Richey pointed out that if the board established a precedent by granting this hearing, there would be a lot of appeals. He said there is a clause in the contract which clearly states that arbitration will be by mutual agreement. He said the purpose of the request for a hearing was to force the university into arbitration which was not in the board's interest.

Mr. Richey noted that if the contractor is still not satisfied after the job is completed, there are other remedies available. The contractor can file suit.

MOTION: Mr. McDonald moved that the board deny the petition of O'Brien Electrical Contractors, Inc. for an oral hearing before the board. Dr. Harris seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The following action was shown on the Board Office Personnel Register and was ratified by the board:

Appointment:

Christina L. Stamper, Secretary I/Receptionist at \$8,937 annually plus fringe benefits, effective April 22, 1981.

ADVANCE SCHEDULE FOR DOCKET. The Board Office noted the agendas for the next few board meetings. Preliminary budgets for FY 1982 and employee pay plans for FY 1982 will be considered in June. Final budgets for FY 1982 will be considered in July.

NEXT MEETINGS. President Brownlee noted that the second day listed for each board meeting would be tentative only. He said the primary meeting date was being changed to Wednesday. This means the submission of docket material to the Board Office will be moved one day earlier in order to get the docket books into the mail on Thursday.

June 18-19	Iowa Lakeside Laboratory	Okoboji
July 15-16	University of Northern Iowa	Cedar Falls
August	NO MEETING	
September 16-17	Iowa School for the Deaf	Council Bluffs
October 21-22	University of Iowa	Iowa City
November 198-19	Iowa State University	Ames
December 16-17	University of Northern Iowa	Cedar Falls

GENERAL
May 21, 1981

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, May 21, 1981.

MEDICAL SERVICE PLAN. It was recommended that the board receive the report on the University of Iowa Medical Service Plan.

The Board Office summarized that the report began with a brief introduction by E. E. Theilen, M.D., Chairman of the Compensation Committee in the College of Medicine. The plan is a faculty plan: it was initiated by the faculty, it was and is directed by elected committees of the faculty, and its continued vitality depends on the faculty's cooperation and support. The basic plan stipulates that all clinical faculty members become participants in the plan upon attaining the rank of assistant professor. They agree to maintain no office other than in the University Hospitals and to deposit all fees generated from professional medical services into a common departmental fund administered by the university in accordance with university business practices. From this income the costs of medical practice are paid, including overhead charges, support staff, supplies, and malpractice insurance; as well as a portion of the physician's salary, which is budgeted against practice earnings. Last year less than a fourth of total income was used for this purpose; the rest was used to sustain quality academic programs while minimizing expense to the state.

In the report Dr. Theilen noted that in recent years, data from the Association of American Medical Colleges indicates that the University of Iowa ranks consistently highest among schools in the amount of support provided from this source. Of concern to the faculty is the increasing dependence upon plan earnings to support the educational programs of the college - from 19 percent of the total in 1965 to 30 percent last year, exceeding by several million dollars the amount of support from the university general fund. The faculty fear that they are reaching a point where it becomes increasingly difficult to sustain the momentum resulting from years of reliance on plan earnings to cover the costs of increased enrollments, curriculum changes, and greater expectations for faculty involvement on the part of the many publics that they serve.

The report concludes that the faculty believe that the functional structure of the Medical Service Plan continues to provide a viable means for dealing with changing circumstances. They believe the plan has served well the college, the university, and the state of Iowa and believe it will continue to do so in the future. The Board Office agreed with this statement.

John W. Eckstein, Dean of the College of Medicine, began the presentation on the Medical Services Plan by introducing Dr. Theilen and Mr. William L. Lillibridge, Assistant Dean of the College of Medicine.

Dean Eckstein explained that the Medical Services Plan was developed in 1946 as a way of handling professional fee earnings. The plan was the first one of its kind in the country. He noted that a report on the status of the plan is made to the Board of Regents every two years.

Dean Eckstein said that the College of Medicine does more than teach medical students. It has 21 academic departments and a number of other large programs. It is a large college with many functions. It teaches the basic sciences portion of the curriculum for dental students, nursing students, pharmacy students, and the allied health program for undergraduate majors.

He noted there is a very large graduate program, particularly in the basic sciences departments. There is a very well known graduate program in hospital and health administration. There is a very large and broad continuing education program.

In addition to the educational programs of the college, it is responsible for the care of patients in university hospitals and for the care of patients in certain special clinics. The college also has a large research mission.

Dean Eckstein said the financing of the college is rather interesting. In the current academic year, 24 percent of the colleges expenditures will be from the general, or state, funds. Thirty percent of the expenditures will be from the Medical Services Plan and forty-six percent will be from gift, grants, and contracts. Most of the gifts, grants, and contracts are federal awards.

The college has a decentralized system of financing. The administration of the college allocated funds to the departments. It has some freedom in the percentage of funds it allocates to each department. Some departments are able to earn more and get more grants than other departments. The college is able to allocate these funds to the departments where they are most needed. Departments that are able to earn money and support their educational programs, free up state money to support programs in departments that have less ability to earn and get outside support through grants. To a large degree, said Dean Eckstein, the departments are responsible for supporting themselves from grants and Medical Service Plan earnings. Dean Eckstein pointed out that the Medical Service Plan plays a key role in financing the college's programs.

Regent Anderson asked if the percentages mentioned by Dean Eckstein include the commutation factor that is added to staff salary. Dean Eckstein answered yes, that the 30 percent of expenditures from the Medical Services Plan includes all funds available that are allocated for the program. The 30 percent includes everything.

He noted that the funds for the college are audited, including Medical Service Plan personnel. All of these funds are reported. President Boyd added that the university controls the earnings of the faculty.

President Brownlee asked if the staff are paid on a line item in the budget which is broken down into state funds and the Medical Service Plan. He did not think the staff received the professional fees personally. Dean Eckstein said President Brownlee was correct. He said that part of the Medical Services Plan requires that everyone who treats patients agrees to turn in their fees to their department. The fees are held in university accounts and spent according to university business practices. They do not receive fees except that they make up part of their salary, which is set in advance. He added that there are no bonuses or incentives.

Dr. Theilen expressed appreciation for the board's understanding and support of the Medical Services Plan over the years. He noted that at times it has been necessary to make modifications in the plan and that the board has been informed of these.

He said the Medical Service Plan is primarily designed for the expenditure and distribution of earned income from private practice in University Hospitals. There are no financial incentives in the plan because that would deflect from the primary purpose of a faculty member in the College of Medicine. He noted that the faculty are not in competition for patients in private practice.

The faculty agree to deposit all of their earnings from private practice into a common fund which is administered by the university. An individual's total salary is fixed - there are no bonuses or other forms of remuneration other than salary. Faculty may receive a portion of their salaries from earned income.

Dr. Theilen explained that this plan gives the college flexibility. It is possible to allocate resources depending on the circumstances in a particular department.

Income from the plan is used in several ways including overhead, support staff, supplies, liability insurance, and the commutation factor. The commutation factor is not an addition to total salary. It is a portion of the salary that is budgeted on a yearly basis. In the past year less than 1/4 of the total earnings from the plan were used for salaries. The rest was used to maintain quality academic programs throughout the college in both teaching and research areas.

The Medical Services Plan minimizes costs to the state. Since 1946, the amount in the plan has been roughly in the range of \$2 million. The College of Medicine has consistently ranked about the highest school in regard to the amount of support derived from this source of income.

Dr. Theilen noted that there is concern about the tendency to increasingly depend on the earnings of the plan to support the programs of the college. The amount from the plan exceeds the amount of support from the general fund by several million dollars. This fiscal year the plan will contribute \$24 million to a total budget of \$80 million.

Noting the board's recommendation for a special allocation to the college in the 81-83 biennium, Dr. Theilen said he hoped this support would be continued. He said the Medical Services Plan has contributed greatly to the discipline. It has made possible the allocation of resources in the college. The faculty has made contributions to the plan in the sincere interest of the institution as a whole. He said it should be recognized that it is becoming increasingly difficult to maintain the momentum of the program and that he could not be sure that it would be possible to increase the plan.

Dr. Theilen said that the primary purpose of the College of Medicine is not to take care of patients, although this is an important element of its overall program. The college's primary purpose is teaching. The second purpose is research and the third is patient care. He noted that all of these purposes are interwoven and there cannot be excellence without interaction.

If faculty are asked to generate more income, there is little incentive to remain on the faculty if they are simply going to be forced into private practice. Teaching and research suffer. He noted that many other schools in the nation are supported by endowments and grant income. Dr. Theilen said the Medical Practice Plan provides a vital method to deal with changing circumstances; it gives the college flexibility it would not have otherwise. He said its contributions to the quality of the university have served the university and state well.

President Boyd expressed gratitude to the college and his predecessors in the administration who worked with the college to develop the Medical Practice Plan. He noted that unlike other states, the plan is under Regent control. He said the plan was excellent because of this.

President Boyd said it was important to realize that the plan is inhabited by people and that it is a delegated responsibility. He said that in many of the clinical departments, no state money is used to teach medical students. The college is undersupported by the state. The college ranks high in terms of the quality of its program. The state has relied more heavily on the Medical Service Plan than any other plan. This reflects an enormous effort on the part of the staff.

President Boyd pointed out that over 60 percent of the impact of federal fund losses will be felt by the College of Medicine. He also pointed out that there are no charges made for medical care given to indigents. The state appropriation relates only to hospitalization costs. The faculty earnings come from 3/4 to 2/3 of the patients they treat. Their other patients are non-paying indigents.

President Brownlee asked if problems would be created if there was any change made in the indigent patient state appropriation. President Boyd replied that there would be problems not only for the university but for the State of Iowa. The state would have to start paying for medical services. He said that the College of Medicine and University Hospitals are two separate facilities. This discussion did not include University Hospitals. He said none of the state money is used for faculty salaries because there are no state appropriations for that purpose.

Mr. Richey explained that services to indigent patients are in excess of \$10 million annually. University Hospitals receive funding for indigent patients that are treated; this money is earned. If there is a reduction in this appropriation, the base would be in real jeopardy.

President Boyd said that because of the college there is a critical mass which makes it possible to have lower ratios for medical and hospital costs than in other states. The university provides a tertiary care center which works with primary and secondary centers.

Regent Anderson asked if this appropriation appeared in the accounting of the college. President Boyd said that it does not. He noted that there is occasional discussion about moving the location of indigent hospital care. He said people don't realize how expensive this would be because the \$10 million for this purpose does not show up in the accounting.

Regent Andersen then asked whether faculty may elect to participate in the Medical Services Plan. Dr. Theilen explained that there might be a situation in some departments that have non-physician Ph.D.s as faculty members. Such individuals do not participate in the plan. President Boyd explained that a professor must participate in the plan.

Regent Jorgensen asked if the faculty are aware from where their salaries come. Dr. Theilen answered that the faculty know the salaries are fixed and they are aware that a fraction of the salary may come from the practice plan. In general, most individuals do not know what that percentage is. In most cases, the department chairman decides how the fund will be divided. The faculty understand that they receive salaries and are not there just to practice medicine. They have responsibilities for teaching and research.

Not everyone is as good at everything. Some faculty members who are very good at teaching may be freed from their service duties to teaching. In general, many of the younger faculty are given time to spend in the laboratory. It is felt they need this time so older members of the faculty may assume heavier clinical responsibilities. These arrangements have no impact on total salaries.

Regent Wenstrand commented that one of the reasons for the success of the Medical Services Plan is the involvement of the faculty. He felt that the more control they have, the more likely is the success of the program. Dean Eckstein said this was an important observation. He noted there has been a lot of discussion about faculty participation in decision making in educational institutions in recent years. He pointed out that the Medical Services Plan was established in 1946 by the entire medical school faculty. There was intra-college cooperation and faculty participation in this major institutional decision. This was twenty years before the movement toward the formation of faculty senates. He said the college has had a lot of experience with people from different departments working together. He felt the College of Medicine is much more cohesive because it started with people who had to work out this plan.

President Boyd said that an atmosphere of putting the college first pervades the college. He said the College is unique and that he is very sensitive that the practice plan must remain a part of the university and the University Hospitals remain a part of the university and the Board of Regents.

President Brownlee said that the plan might have some problems in the future if it continues at its present level of support. The fees that doctors can charge are somewhat regulated by third party payers which have definite fees they consider acceptable. This could have an adverse impact on the income generated by the plan. There could be serious problems in relying too much on the Medical Services Plan to support the College of Medicine. President Boyd agreed this would have an impact.

Regent Wenstrand asked for more information about the losses in federal grants and contracts. President Boyd said the university expects to lose about \$10 million in categorical research grants. About 60 percent of this is attributable to the College of Medicine.

Regent Harris said that the board must realize and make it known to the people and Legislature and Governor that the very excellent College of Medicine will be in troubled waters if something is not done about the Medical Service Plan and getting more money from the state. He noted that this is not the time to ask the state for money, but it is a time to develop a plan to talk to legislative leaders about the problems in the future.

He said the College of Medicine is one of the best in the country because of the dedication of the faculty and the administration. He thought the citizens of Iowa would hold the college in very high esteem if they were told about it. Regent Harris said there should be quality medicine, quality teaching, quality research, and quality care provided on a continual basis at the College of Medicine. In order to do that, money will be needed from the state. The board should develop a plan to work on this now and continue to work on it until something has been implemented so that the percentage of support for the college from the Medical Services Plan does not go beyond 30%.

President Brownlee said the College of Medicine should be considered working on this with the board and Board Office to educate the Legislature and citizens and to lay the groundwork for preparing faculty requests.

Regent Harris urged that the Board Office and college start soon to develop a consistent plan with specific detail to get more state funds for the College of Medicine so there is not continued dependence on the Medical Service Plan.

In the treatment of indigent patients, Regent McDonald asked if the physician is aware that the patient is receiving free medical service. Dr. Theilen responded that a number of years ago the faculty decided to provide a one-class service. At one time there were three categories of patients: indigent, clinical pay patients, and fully private patients. Clinical pay patients could not afford private care but were not indigent. They were treated without fee except for actual costs. Dr. Theilen said that the University Hospitals does not want a stratified system of health care and that it has tried to achieve the goal of giving one-class care. There are no distinctions on the basis of ability to pay.

He noted that physicians sometimes know whether a patient is an indigent or a private patient. They sometimes assist people in getting funding to pay for the cost of hospitalization. Dr. Eckstein said the physician would know the status of the patient from the file and documents in the patient's chart.

Regent Harris stated that when physicians see a patient, the first thing they are concerned about is the patient's complaint or what is wrong with him or her. They deal with the patient without any regard to being paid. They may deal with this later if it is brought to their attention that a bill has not been paid. Regent Harris said it is usual for doctors to keep these two items separate.

In all of the reports he has had from patients referred to University Hospitals, said Regent Harris, he has never heard a complaint about the quality of care received by a patient because he or she was poor.

In answer to a question from Regent Jorgensen, Dean Eckstein explained that the University Hospitals and the College of Medicine are two separate organizations in an administrative sense. The College of Medicine is an academic institution in which each department has an academic budget. This budget includes income from professional fee earnings. University Hospitals also has departments. He noted that people tend to think of the departments in the college and hospital as one department.

The chairman of an academic department in the College of Medicine is also the head of the clinical department in the hospital. Another responsibility of this person is to participate in review committees.

President Brownlee thanked Dean Eckstein and Dr. Theilen for the opportunity for the board to ask questions. He said the board would try to follow up on Regent Harris' suggestion to educate the Legislature and citizens of the state about the Medical Service Plan.

President Brownlee received the report on the University of Iowa Medical Service Plan on behalf of the board.

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

OTHER PERSONNEL TRANSACTIONS. The board was asked to approve the following action

Appointment:

James R. Buck as chair of the Division of Systems Engineering, College of Engineering, effective July 1, 1981. Professor Buck will also chair the Program of Industrial and Management Engineering within the division.

MOTION:

Mr. Wenstrand moved that the board approve the appointment of James R. Buck as listed above. Dr. Harris seconded the motion and it passed unanimously.

REQUEST FOR ADDITIONAL FACULTY DEVELOPMENT ASSIGNMENTS, 1981-82 ACADEMIC YEAR. It was recommended that the board approve additional faculty developmental assignments requested by the University of Iowa for the 1981-82 academic year.

The Board Office noted that the board approved 93 faculty developmental assignments in January 1981. At this time, the university is requesting an additional 5 developmental assignments due to special opportunities that became available. It was indicated that all assignments are for one semester and that the net replacement cost to the university will be approximately \$6,000 for a total estimated net replacement cost of \$96,000 for a total of 98 developmental assignments.

Vice President Brodbeck noted that there was some recent publicity about the faculty developmental leave program. She said these leaves help to achieve the university's mission by encouraging faculty vitality and morale and the best teaching by providing for increases in knowledge. The developmental assignment is almost indispensable. Without these leaves, the faculty would not have the time they need away from the daily duties of teaching, committee work, advising students, etc. Through this program they are able to get a semester to work on other things.

The average cost of the leave is \$1,000 per faculty member. The university generally does not provide a replacement for the faculty member on leave. The university is able to carry on its programs with limited staff because the colleges are willing to make sacrifices for one semester. Other members of the colleges will teach an extra course or take over a student advising load. They are able to do this for a semester because they know

they will have a turn for developmental leave. By leaning on colleagues, the work of the university gets done economically. The leaves are used for course development, improvement of teaching, and research.

This leave serves as a kind of seed money for faculty members in that the projects they work on may be funded by a granting agency. The amount of funds brought in by this program exceeds the amount of cost. Vice President Brodbeck said the costs of the program are minimal.

She noted that all major universities have such programs. The university would be in an even worse competitive situation than it is if it did not have this program. She said salaries are only one part of the total compensation of a faculty member. The developmental assignment program enables the faculty to achieve their job.

Regent Anderson expressed concern about increases in this program. She suggested that it may not be possible for it to increase in the same way that it has in the past. President Boyd responded that this program must continue. He said it generates money. The university has a good productivity rate.

He pointed out that the university does not have a sabbatical program. Most other schools have a sabbatical plan. The developmental leave is awarded on a competitive basis according to quality of the application.

Regent Anderson asked if the amounts in the program could be equated to a particular person. President Boyd answered this was possible except in certain areas. He said that society does not regard the arts and humanities in the same way as it regards science and medicine. If there is going to be an arts and humanities program, there must be a developmental leave.

Vice President Brodbeck explained that this program began in 1976. She said the number of leaves has been between 85 and 90 and that they have stabilized at 85. She did not expect this to change very much.

Regent Wenstrand noted that these are not leaves of absence and are not sabbatical leaves. They are developmental assignments which means no one has a right to them. He said they are given because it is in the university's interest to do so.

MOTION:

Mrs. Anderson moved that the board approve additional faculty developmental assignments requested by the University of Iowa for the 1981-82 academic year. Mrs. Murphy seconded the motion and it passed unanimously.

NOTIFICATION OF SELECTIVE ADMISSION POLICY IN THE COLLEGE OF BUSINESS ADMINISTRATION. President Brownlee said this item would be deferred until June for several reasons. He said that anytime financial problems force a restriction in enrollment in an undergraduate college, this is a serious enough matter that it deserves a lot of attention. He asked the university to work with the Board Office and elaborate on the information submitted so that the board could be more informed in addressing this. He noted that some of the material developed by the Board Office and university might include as background other instances where it has been necessary to restrict enrollment at any of the universities.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for the months of May 1981 had been received, was in order, and was recommended for approval.

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

Medical Research Center - Remodel Rooms 370-382

Award to: HVAC: AAA Mechanical Contractors, Inc., Iowa City, Iowa \$28,371.00

University Hospitals - First Floor Corridor Refinishing

Award to: Selzer Construction Co., Inc., Iowa City, Iowa \$47,227.00

University Hospitals - Psychiatric Hospital Exterior Structural Repairs

Award to: Kleiman Construction, Inc., Cedar Rapids, Iowa \$28,511.00

Quadrangle Lounge Renovation

Award to: R. K.'s Home Improvement, Iowa City, Iowa \$51,889.00

University Hospitals - Third and Fourth Floor Carver Pavilion (Finishing),
Air and Water Balancing and Testing of Systems

Award to: Systems Management and Balancing, Inc., Des Moines, Iowa \$11,120.00

University Hospitals - Fire Protection Improvements - First Floor General
Hospital

Award to: McComas/Lacina Construction Co., Iowa City, Iowa \$88,485.00

This project is also listed under "new projects." Source of funds is University Hospital Building Usage Funds in the amount of \$98,000.

Zoology I and II - Fumehood and Ventilation Retrofit - Phase I

Award to: Universal Climate Control, Inc., Iowa City, Iowa \$141,274.00

University Hospitals - Second Floor Corridor Access

Award to: R. K.'s Home Improvement, Iowa City, Iowa \$25,247.00

This project is also listed under "new Projects," Source of funds is University Hospitals Building Fund account in the amount of \$34,100.

Oakdale Animal Quarters (Building 129) Addition and Air Conditioning

Award to: B. A. Westbrook Construction, Marion, Iowa \$529,458.00

Quadrangle Residence Hall - Emergency Lighting

Award to: Shay Electric Service, Inc., Iowa City, Iowa \$18,220.00

There was an irregularity in that the contract award recommended exceeded the approved project budget. The irregularity was waived since the source of funds is Dormitory Improvement Reserve. Multiplied bids were received. The project needs to be done for safety reasons. The size of the project is small. The university recommended award and provided a revised project budget increasing the total cost from \$21,300 to \$25,000. The board was also requested to approve the revised project budget.

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

Campus Electrical Supply Renovations

The university requested approval of a revised project budget increasing the project from \$3,056,000 to \$3,886,400. This adjustment is necessary for three reasons. These are to provide additional transmission capacity to meet future load requirements on the West Campus, to provide for inclusion of the primary electrical service of the Hawkeye Arena in the project, and to provide roadway access to the substation site.

The university also requested approval to negotiate with the prime contractor on the substation for the additional installation of cabling to provide additional transmission capacity; approval for the physical plant forces to do the installation work on the Arena electrical portion; and approval to negotiate with the grading contractor for the Hawkeye Arena for the roadwork to the substation site.

Source of funds for the addition to this project is \$518,400 in income from Treasurer's Temporary Investments, \$200,000 in University Hospital Building Usage Funds, and \$112,000 from the Hawkeye Sports Arena budget.

The board was requested to authorize approval of the following contract change orders:

South Pavilion - Phase A

The university requested authorization for approval of a change order in the amount of \$122,198. The contract change order provides for an additional elevator for the South Pavilion. The additional elevator is being installed in place of an automated cart lift system which had a price of \$435,000. It is hoped that the cart lift system can be included in the next vertical expansion of this building.

Hawkeye Sports Arena - Contract I - Contract No. 6

The university requested approval of a contract change order in the amount of \$83,227 with Knutson Construction Co., Minneapolis. This change order is necessary due to existing unforeseen soil conditions. The contractor has to revise the buttress wall footings at two locations.

The following new projects were presented to the board for approval:

Iowa Memorial Union - Resurface Parking Lot #2

Source of Funds: Parking Revenues Reserves \$108,000.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Dental Science Building - Replacement of Domestic Water Piping

Source of Funds: Treasurer's Temporary Investments \$994,000.00

Medical Research Center - Prepare Room 439 for Cold Room

Source of Funds: Medicine Trust Fund for Neurology \$38,200.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Access Drive for Art Building Complex

Source of Funds: Institutional Roads \$26,500.00

The Physical Plant Department was selected as engineer and inspection supervisor.

University Hospitals - General Dentistry Clinic, Phase II

Source of Funds: University Hospital Building Usage Fund \$99,300.00

The University Architect's Office was selected as architect and inspection supervisor.

Children's Hospital - Electrical Power Utility Service
Source of Funds: General University Building Repairs \$383,240.00

The Physical Plan Department was selected as inspection supervisor. In addition, the university requested ratification of its selection of Wehner, Nowysz, Pattschull, and Pfiffner, Iowa City, Iowa, to provide full range engineering services on the project on an hourly rate basis with a maximum of \$16,500.

Oakdale Animal Quarters (Building 129) - Electrical Power Utility Service
Source of Funds: General University Building Repairs \$170,500.00

The Physical Plant Department was selected as engineer and inspection supervisor.

Reoccupancy Remodeling - Phase III - Children's Hospital
Source of Funds: Income from Treasurer's Temporary Investments \$431,200.00

This phased project to remodel the Children's Hospital was (under Phase III) originally to provide for the remodeling of an area for the Family Practice Model Office. The university determined that it would cost only slightly more to install a predesigned, factory-built model office structure in the courtyard than to do the remodeling as earlier planned. Further, the university has lost its Family Practice clinical arrangements with the Williamsburg Center and some of the teaching functions formerly located at Williamsburg will be transferred to the campus facility, thereby increasing the need for space and, more importantly, the need for provision of new facilities as quickly as possible.

The Physical Plant Department was selected as inspection supervisor.

In addition, Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, was selected as architect on the project on an hourly fee basis to a maximum of \$19,630 including construction management services.

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

University Hospitals - Psychiatric Hospital; Air Handling Unit EDCU, Project No. 81-019C; Automatic Sprinkler System North Wing, Project No. 81-019B

Ratify selection of Kimmel-Jensen-Wegerer-Wray, Rock Island, Illinois, to provide final design services and site survey services on this project on an hourly rate basis to a maximum of \$8,000. The board has not approved a project budget to date.

Campus Electrical Supply Renovations - Contract 3 - General Construction for Substation "U" (Access Road to Substation)

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide engineering services on this access road on an hourly rate basis to a maximum of \$5,000.

Hawkeye Sports Arena/Recreation Facility Project

Approve an increase in the contract with Shive-Hattery & Associates, Iowa City, Iowa, for additional engineering services on this project in the amount of \$176,873.28. All the services being provided are additional to those initially contracted for with Shive-Hattery on this contract.

1981 Roof Reconstruction - University Hospitals

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to conduct a preliminary study to establish project design, framework, and a preliminary budget with project description on an hourly rate basis to a maximum of \$8,750. The board has not approved a project budget to date.

Children's Hospital - Reoccupancy Remodeling - Phase II

Ratify payment of additional engineering services to Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, in a lump sum payment of \$14,040 to carry the project through bidding and construction. The board originally selected this firm to provide a preliminary study and final design services through final plans and specifications on an hourly rate basis to a maximum cost of \$19,000. This phase is expected to cost \$390,000 as approved by the board in April.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for May 1981; ratify awards of construction contracts made by the executive secretary; approve the revised or amended budgets; authorize approval of the change orders; approve the new projects; ratify university selection of engineering firms; ratify selection of consultants for design services; approve the increase for additional engineering services; ratify payment for additional engineering services; and authorize the executive secretary to sign all necessary documents. Dr. Harris seconded the motion and it passed unanimously.

UNIVERSITY HOSPITALS - CARVER PAVILION, PHASE C SHELL-IN. It was recommended that the board approve this project and the preliminary budget; authorize negotiation of a contract with Hansen Lind Meyer, Iowa City, Iowa, for architectural services; and select the University Architect's Office as inspection supervisor.

The Board Office noted that the board has heard references to a plan to construct clinical laboratories on top of the Carver Pavilion which would provide replacement space for Department of Pathology clinical laboratories. In January of this year the board ratified selection of Hansen Lind Meyer, Inc., Iowa City, Iowa, to conduct a preliminary study to establish project design framework and a preliminary budget on an hourly rate basis to a maximum of \$24,500. The board was requested to approve the first phase of this project which consists of constructing two floors but not finishing the space. Cost for this phase (shell) is \$4,305,911 of an estimated total project cost in excess of \$8 million. Funding is from the University Hospital Building Usage Funds.

The university also requested authority to negotiate a contract with Hansen Lind Meyer, Iowa City, for architectural services. The firm was approved as the project architect by the Campus Architectural Selection Committee. The University Architect's Office would be selected as inspection supervisor.

After completion of the construction of the shell, a project to finish the space (Approximately \$3.7 million) will be brought to the board. The other major capital problem facing the hospital is replacement of the remaining 285 non-conforming beds through placement of five additional floors on the South Pavilion project. The estimated construction cost in 1980 dollars of those five additional floors would be \$18 million.

MOTION:

Mr. Nolting moved that the board approve this University Hospitals - Carver Pavilion, Phase C Shell-In project and the preliminary budget; authorize negotiation of a contract with Hansen Lind Meyer, Iowa City, Iowa, for architectural services; and select the University Architect's Office as inspection supervisor.
Mrs. Murphy seconded the motion and it passed unanimously.

ALLOCATION OF STUDENT ACTIVITY FEES, SUMMERS OF 1981, 1982, AND 1983.

It was recommended that the board approve the exhibited schedule of student activity fees for the following three summers.

STATE UNIVERSITY OF IOWA
May 21, 1981

	<u>Current</u>	<u>Summer 1981</u>	<u>Summers 1982, 83</u>
<u>Student Activities</u>			
SPI Board	1.00	1.00	1.10
UISA Office	.33	.33	.33
Contingency	.13	.12	.22
UI Lectures	.00	1.47	.00
Student Senate	.00	.73	.00
	<u>1.46</u>	<u>3.65</u>	<u>1.65</u>
<u>Student Services</u>			
Cambus	0.25	1.33	1.33
Student Health	0.00	0.00	2.00
	<u>0.25</u>	<u>1.33</u>	<u>3.33</u>
<u>Building Fees</u>			
Hancher Auditorium	5.00	5.00	5.00
Arena/Recreation	4.96	5.96	5.96
	<u>9.96</u>	<u>10.96</u>	<u>10.96</u>
 TOTAL SUMMER FEE	 <u>11.67</u>	 <u>15.94</u>	 <u>15.94</u>

The Board Office explained that the revised recommendations for the summer of 1982 follow the early implementation of the previously approved tuition increase, as well as some necessary adjustment in existing student activity allocations. There will be one year's support for the University of Iowa lectures during the summer as well as the Student Senate, which is currently operating at a deficit. There will be a one summer deferral in the implementation in the student activity fee support of the student health program. A notable change in allocations is an increase from \$0.25 to \$1.33 for the Cambus system in support of operating costs.

The recommendation to establish student activity fee allocation for three summers was based on the early implementation of the student activity fee increase and the normal carryover of student activity fee allocations into the first summer of the subsequent biennium or, in this case, the summer of 1983.

The Board Office recommended that the schedule of student activity fee allocations be approved.

Vice President Bezanson stated that the university has been working through some difficult budgetary applications on student fees in order to assist with the academic needs of the university. He said the allocations of student fees would give the students the wherewithal to address next year's budget.

In answer to a question from Mr. Richey, Vice President Bezanson delineated the reasons for the increase in student fees for Cambus, Student Senate, and the lecture fees.

He explained that Cambus has experienced substantial increases in costs in the past year and it has been operating at a deficit. He said there would be a similar increase in fees for Cambus during the academic year. Cambus has just completed reducing expenditures. It needs to be able to continue at some level but has had to reduce its operations as well. Vice President Bezanson said there has been no growth in Cambus service.

In regard to the student fee allocation for lectures, Vice President Bezanson said a proposal would be made to the board next month to suggest increases in student fees and permit those funds to support student financial aid and library acquisitions. He said this proposal was worked out in consultation with the students with an effort on their part to have the same level of students fees this year instead of an increase tentatively considered last fall. The students feel that while this will be difficult, it is consistent with university priorities. They feel the summer increase in fees for UI lectures is important. He noted that this fee allocation will not be continued in the second year. He said this was also true of the Student Senate fee allocation.

Mr. Richey noted that the board did not know about the student health allocation when it increased tuition rates last fall. It was mentioned at that time that student health was in a difficult financial situation.

Lori Froehling, President of Collegiate Associations Council, told the board that students were concerned about the impact of tuition increases on accessibility to the university. They discussed this with the administration and developed a response to meet the needs for accessibility and the academic expertise that must be provided through the library system.

Ms. Froehling explained that when the students prepared their budgets last year, the largest cuts were for the lectures and that was why an increase in student fee allocations was being presented. She noted that Student Senate has problems resulting from a prior administration and it was felt that fees could be best used in that area.

Tim Dickson, President of Student Senate, pointed out that the increase in fees for the lectures would be for lectures occurring in 1981-82. Ms. Froehling said that usually allocations for the lecture series are made just in the fall and spring semesters, not in the summer. She said it was felt that the summer fee would be a one-time fix to help with the lectures in the coming year.

MOTION:

Mrs. Jorgensen moved that the board approve the schedule of student activity fees for the summers of 1981, 1982, and 1983. Dr. Harris seconded the motion and it passed unanimously.

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

IOWA STATE UNIVERSITY

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for April 1981 were ratified by the board.

OTHER PERSONNEL MATTERS. The board was asked to approve the following action:

Reappointment:

Robert C. Summerfelt as chair of the Department of Animal Ecology, effective July 1, 1981, through June 30, 1982. Salary as budgeted.

Appointment:

David K. Hoffman as chair of the Department of Chemistry, effective July 1, 1981, through June 30, 1985, salary of \$42,000.

Fred D. Williams as chair of the Department of Microbiology in the College of Sciences and Humanities, effective July 1, 1981, through June 30, 1985, salary of \$36,8000.

Captain Robert L. Larson as chair of the Department of Naval Science and Tactics, effective August 1, 1981, through June 30, 1984, salary paid by the U.S. Navy.

In addition to the above appointments, the university presented two supplemental appointments for approval. These were:

Howard P. Johnson as head of the Department of Agricultural Engineering, effective June 1, 1981, salary of \$45,400.

Joyce K. Hvistendahl as chair of the Department of Journalism and Mass Communication, effective July 1, 1981, June 30, 1986, salary of \$42,500.

MOTION:

Mr. Nolting moved that the board approve the appointments listed above. Dr. Harris seconded the motion and it passed unanimously.

ACCEPTANCES OF PROMOTION AND TENURE ACTIONS. It was requested that the board accept the actions on faculty promotion and tenure.

Regent Jorgensen noted that the number of tenured faculty on campus is going up. She thought this could be a problem in the future as enrollments go down.

Regent Jorgensen expressed concern that by accepting the faculty promotion and tenure actions at this time, the board was taking action after the fact.

Vice President Christensen stated that compared to the national average, the number of faculty members who are tenured at Iowa State University is considerably lower. He said that 18 percent of the faculty were recommended for tenure this year, compared to 25 percent a year ago. He said there is considerable stability of the faculty as a whole.

Vice President Christensen noted some complications in regard to this. Faculty are facing a lack of job opportunities and there is a tendency to stay longer at an institution. He said this is one of the reasons the university is enthused about a strong faculty improvement program because this revitalizes the faculty. The university makes sure replacement people for those who do leave come from different areas and universities so that they bring in new ideas.

In regard to Regent Jorgensen's question about the timing of the board's action, Vice President Christensen said no commitments had been made and that the board would make the final decision.

President Brownlee pointed out that an annual report on promotions and tenure would be presented in June. Regent Jorgensen was concerned about specific problems within a system.

Regent Harris noted that the board has some familiarity with the internal process by which tenure is granted. He felt the board should depend very heavily upon the recommendations that come through that process. He did not think the board could make a decision on the basis of anything other than a recommendation made by the academic people.

President Parks explained that the university has taken measures to reduce the pressure for tenure in future years. The adjunct professorship has been installed. The adjunct professorship is not on a tenure track. The university is putting fewer people on the tenure track than in the past. Another thing that is done, because of financial pressure, is to employ temporary teachers quarter by quarter.

President Parks noted that there is a countervailing force because it is difficult to find positions in other places and because it costs so much to relocate. This creates a pressure to stay at the university. That same pressure makes people move out and get tenure and the pressure to achieve tenure is greater than before.

President Parks said that the university is taking a tougher look at granting tenure and making tougher decisions. He said he was not worried about having too many tenured faculty.

Mr. Richey explained that the order of action on this issue was not really out of synchronization. He noted that the board acts on actual tenure decisions in April and May and considers the issue as a whole in June of each year. He said that administrative decisions about promotions and tenure needs to be made a year in advance so the university can get those actions into its recommendations in the next year. He said that Regents' questions about promotions and tenure actions for the coming year could be addressed next month when the annual report is submitted.

MOTION: Dr. Harris moved that the board accept the faculty promotion and tenure actions at Iowa State University. Mr. McDonald seconded the motion and it passed unanimously.

Secretary's Note: Following the board meeting, the university submitted a correction to the list of faculty promotion and tenure actions. The promotion of David H. Stuart to Assistant Professor in the Department of Music should have been without tenure.

MEMORANDUM OF AGREEMENT BETWEEN IOWA STATE UNIVERSITY AND IOWA STATE UNIVERSITY BOOKSTORE - PROPOSED RENTAL RATE REVISION. It was recommended that the board approve the revision in the Memorandum of Agreement covering the rental of 23,000 square feet of operating and storage space to increase the annual rental rates to \$5.50 and \$3.00 per square foot, respectively, effective July 1, 1981. It was also recommended that the board approve continuing the agreement until changed by mutual agreement of the Memorial Union and Iowa State University, subject to approval of the Board of Regents.

The Board Office said the university reported that the new rates appeared to be fair and reasonable. They are based in part upon cost increases since 1979, the year of the most recent rental rate change, and costs for comparable space in the Ames area.

It noted that University Bookstore is a self-supporting enterprise.

Vice President Moore noted that this agreement had been worked out with the Memorial Union management. President Parks noted that the union is not a part of the university so these arrangements are a little different than other rental arrangements.

MOTION:

Mr. Wenstrand moved that the board approve the revision in the Memorandum of Agreement covering the rental of 23,000 square feet of operating and storage space to increase the annual rental rates to \$5.50 and \$3.00 per square foot, respectively, effective July 1, 1981, and that the board approve continuing the agreement until changed by mutual agreement of the Memorial Union and Iowa State University, subject to approval of the Board of Regents. Mrs. Murphy seconded the motion. Upon a roll call, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Nolting,
Neu, Wenstrand, Brownlee
NAY: None
ABSENT: None

AREA EXTENSION OFFICE LEASE EXTENSION - CEDAR RAPIDS, IOWA. It was recommended that the proposed lease be extended from July 1, 1981, to September 30, 1981, at the same rental rate of \$3.50 per square feet.

The Board Office explained that this is an interim measure covering three months. The lessor, the Grant Wood Area Education Agency, is unable at this time to commit to a long-term lease as a result of reorganization and retrenchment within the agency.

The agreement provides for negotiation of a longer-term lease prior to the expiration of this extension.

Vice President Moore explained that there are 12-15 area extension offices throughout the state. These are regional offices that provide extension services to various counties in their region.

In answer to a question from Regent Harris, Vice President Moore said there are two extension offices in these areas. One office is an area office and the other is a county extension office. President Parks noted that these two offices serve different functions. The area extension offices cover a number of counties and are designed to coordinate the work of those areas. These offices are not prepared to serve people on an individual basis. The county extension office does serve people on an individual basis.

MOTION:

Dr. Harris moved that the board approve extending the lease for the Area Extension Office in Cedar Rapids, Iowa, from July 1, 1981, to September 30, 1981, at the rental rate of \$3.50 per square foot. Mr. Nolting seconded the motion. Upon a roll call, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Nolting,
Neu, Wenstrand, Brownlee

NAY: None

ABSENT: None

AREA EXTENSION OFFICE LEASE WITH WESTWINDS, LTD., DES MOINES, IOWA. It was recommended that the board approve a five-year lease in the Westwood Condominium at 1545 39th Street, West Des Moines, Iowa, effective October 1, 1981, to September 30, 1986, at a rental rate of \$9.50 per square foot.

The Board Office said this new lease would terminate lease arrangements with the current landlord, United Federal Savings & Loan Association.

A combination of conditions led to the proposed change in landlord. A change in utility and janitorial services would result in a 49% effective increase in rent for any new lease arrangement. The price-quality ratio at the current location for existing or proposed change in total square footage and at several other locations considered are less than the new site proposed.

The new site of the office at Westwood Condominiums would cost \$9.50 per square foot; would be for five years; would not include a rent escalation clause; would be accessible to the handicapped including in-office restroom facilities; and would include all utilities, janitorial service, snow removal, and lawn care.

The university reported that the current rental costs for 1,643 gross square feet are \$5.33 per square foot, excluding janitorial services. Modified space arrangements with the current lessor would cost \$9.52 per square foot, excluding janitorial services. Other space is available at less cost per square foot, but it was deemed inferior.

MOTION:

Mr. Nolting moved that the board approve a five-year lease in the Westwood Condominium at 1545 39th Street, West Des Moines, Iowa, effective October 1, 1981, to September 30, 1986, at a rental rate of \$9.50 per square foot. Mrs. Jorgensen seconded the motion. Upon a roll call, the following voted:

AYE: Anderson, Harris, Jorgensen
McDonald, Murphy, Nolting,
Neu, Wenstrand, Brownlee

NAY: None

ABSENT: None

ENERGY CONSERVATION - 1981 CHRISTMAS RECESS. It was recommended that the board approve the university's minimal operation schedule during the Christmas recess from December 19, 1981 to January 11, 1982, and that the university's proposal to modify the Merit System overtime pay policy be deferred for further study.

The Board Office provided the following explanation. In anticipation of continuation of the 4.6% appropriation reduction and continued increases in energy costs, the university recommended a reduction in operations during the Christmas recess-semester break period of December 19, 1981 to January 11, 1982. A maximum shutdown will occur between December 24 and January 3. A similar shutdown resulted in a savings of approximately \$100,000 last year. Based on that experience and other factors, such as weather conditions, the university estimated it could save as much as \$250,000 this year. The Board Office recommended that the board approve the university's plan.

The Board Office explained that the Regents Merit System overtime pay policy, approved by the board, the State Merit Employment Commission, and the State Executive Council, requires premium pay or compensatory time off at the rate of time and one-half for all time compensated in excess of 40 hours a week. The policy further provides that employees will be paid for any accrued compensatory time remaining at the end of an annual period designated by the institution and reported to the Merit Director.

The university proposed that an exception to this policy be sought that would permit non-organized Merit System employees, with the approval of appropriate supervision, to work in excess of 40 hours a week in order to build up compensatory time on a straight time, hour-for-hour basis. Such compensatory time would be used only during the shutdown period in December and January. The Board Office had several concerns about this proposal.

The Board Office noted the shutdown would require some overtime in order to get necessary work done. Under the university's proposal, employees would be able, with supervisory approval, to elect whether they would be compensated for such time under the existing policy or under the proposed exception. Many employees probably would elect pay or compensatory time at the premium rate provided in the existing policy, thereby reducing savings to the university that might otherwise be realized. In addition, if some employees elected compensation under one policy and others compensation under the exception, equal pay issues could be raised.

The exception to the existing policy would apply only to non-organized employees. Existing provisions in collective bargaining contracts require premium pay or compensatory time off for blue collar, technical, and security employees.

A revision to the current policy would require, in addition to approval by the Board of Regents, the concurrence of the State Merit Employment Commission, and the State Executive Council. In informal discussions the Director of the State Merit Department and the State Director of Employment Relations (who advises the Executive Council on personnel matters) expressed opposition to the proposed plan. They cited potential for abuse and concern about making exceptions to established policies.

The Board Office expressed concern about the complications of administering different overtime policies for the same group of employees and about the impact the proposal would have, if approved, on other Regent institutions. Iowa School for the Deaf and Iowa Braille and Sight Saving School regularly close down during Christmas recess; employees use holidays, accumulated vacation, or compensatory time accrued under the existing overtime policy during that period. That practice was followed during the period of reduced operations at the University of Northern Iowa last year.

The university pointed out that the maximum shutdown period covers 11 calendar days of which all but four are weekends or scheduled holidays. Of the 11 holidays provided employees annually, two are not designated and could be taken by employees during the shutdown period.

The current overtime policy provides that employees will be paid in cash for any compensatory time not used by the end of an annual period designated by the institutions. That period ends on June 30 for most Merit System employees. The university could establish an annual period to coincide with the calendar year, which would make compensatory time, accrued throughout the year, available for use during the Christmas shutdown.

The plan for reduced operations last year was submitted to and approved by the board in September. It is hoped that earlier action this year will lessen employee concerns about the shutdown period by enabling them to better plan the use of their vacation, holidays, and compensatory time. For all of these reasons, the Board Office recommended that the university's proposal to modify the Merit System overtime policy be deferred for further study.

Vice President Moore began discussion on the Christmas recess shutdown. He said that the shutdown last year covered 19 days which included weekends. Every employee had to make provisions to miss four working days. They did this by using vacation time, compensatory time, or leave without pay. Compensatory time was the least flexible of these options. Vice President Moore was not sure if any employees took leave without pay.

Vice President Moore said the plan was well received last year, although some employees thought it was not quite fair. In some areas employees were asked to take time off while in other areas that did not shut down the employees worked on a regular schedule. He noted that no grievances were filed.

Vice President Moore said that shortly after the school term began, employees began asking if there would be a similar shutdown this year. The university began making plans for the shutdown. The period of time for the shutdown was originally planned to be for 15 days with a potential of 13 working days. The university recognized that it would be too much to ask employees to take vacation or some other form of absence from work for this amount of time. The shutdown period was modified so that there will be two weeks of reduced operations and one week of maximum shutdown. This would mean that most employees will be absent from work for four working days when holidays and weekends are considered.

In regard to the university's proposal to modify the Merit System overtime pay policy on compensatory time, Vice President Moore said the university recognized that it would be difficult to change an established system. He said that within a period of one work week, compensatory time can be adjusted for with the approval of the employee's supervisor. Beyond one week, the compensatory time worked would have to be paid on the basis of one and one-half hours.

Vice President Madden said that the recommendation made came not only from the university administration, but also from the university employees.

He said that one of the problems in this plan would be that new employees would have to use all of their vacation during the shutdown period. This does not fit in with all of the employees' plans.

He noted that a number of areas in the university are not willing to pay time and a half because of the cost involved. They could utilize people on an hour-for-hour basis. It would be helpful for those areas to have people work extra hours and be given those hours off. The university's proposal would accommodate being able to do this.

He said the university did not object to delaying consideration of the recommendation about the Merit System pay policy. He pointed out that one of the reasons it was presented at this time was that employees wanted to make their plans for the summer and what they do now depends upon what happens during the shutdown.

Vice President Madden thought procedures could be developed to deal with any problems. He noted that organizations all across the country are using flexible kinds of work arrangements in order to accommodate the employees and the organizations they work for. He hoped this proposal would not get bogged down simply because it is a departure from established policy.

Vice President Madden described the way the proposal would work. He said employees may elect to accumulate compensatory time on an hour for hour basis. This time could only be used during the shutdown period. All other time worked would be treated as usual. He noted that the university would not impose this requirement on anyone. He said it would give employees flexibility for taking time off. There must be a need for the extra hours worked and people would not be paid for not actually working. Vice President Madden said the plan was not an attempt to abuse or force overtime arrangements on the staff.

President Brownlee said the board was concerned about working out the system-wide implications in the Regents Merit System so that it is consistent in its policy. Mr. Richey noted that the board would be considering the Regents Merit System pay plan in June and that Iowa State University's proposal could be a part of that consideration. He said the board recognized the need for flexibility but wanted to be sure there was as little negative effect as possible.

Regent Anderson asked if the extra time the employees would work would be time they would work under any situation but earn compensatory time at time and a half. Vice President Madden answered that a certain amount of overtime in the university is required. He said most of the employees affected by this proposal are nonorganized Merit System employees. He explained that many areas do not have the financial resources to pay overtime at time and a half and must figure out alternative ways of getting the work done. It would be productive for these areas to work extra hours during peak load periods rather than later on.

Regent Anderson thought this might encourage additional overtime. Vice Madden agreed this was possible. He said it would be the supervisor's decision as to how much overtime there is available. President Parks said there is general work in the university that could be done as well at one time as another. He noted that this would not be true of the entire university.

Regent Anderson said there could be a potential for inequity because employees in some areas have more opportunity to work overtime than employees in other areas. Some employees would not have the opportunity to work extra time and would, therefore, have to use vacation during the shutdown. Vice President Madden said that the nature of the university would permit this to happen and agreed that this could be an inequity. He did not have a solution. Regent Neu felt this kind of inequity would exist regardless of the proposed plan. He said the opportunity for additional work is greater in some areas than in others.

Regent Anderson did not think the inequities would be increased in regard to overtime with or without the proposed plan. She said that in the plan for modification it appeared that some departments would provide more opportunity for people to have compensatory time that other people would not have. President Brownlee indicated that this issue could be addressed in June along with the pay plan.

President Parks said that everyone of the staff councils endorsed the proposed plan and did not feel it would be more inequitable. He agreed that it must be studied carefully. He said that in view of the difficult times, he hoped the board would seriously consider ways to accommodate the human situation and not do something just because it does not fit the rules.

Regent Nolting said it was not uncommon in private industry to have shut-downs. These employees must use vacation or take the time off without pay.

In response to a comment from Regent Anderson, President Parks said that during the shutdown last year, several departments were able to continue working. Everyone else was foreclosed from working under the arrangement last year. The present proposal would broaden the opportunities and give more employees a chance to deal with the shutdown without taking vacation or leave without pay.

MOTION:

Mrs. Jorgensen moved that the board approve Iowa State University's minimal operation schedule during the Christmas recess, from December 19, 1981, to January 11, 1982, and that the university's proposal to modify the Merit System overtime pay policy be deferred for further study. Mr. Wenstrand seconded the motion and it passed unanimously.

FIRE PROTECTION CONTRACT WITH CITY OF AMES. It was recommended that the board approve the agreement between the City of Ames and the Board of Regents, State of Iowa, for fire protection services at Iowa State University as proposed by the institution.

The Board Office said the university has been operating under a fire protection agreement with the City of Ames since the 1940's. The university has paid a share of the capital costs and 25% of the operating costs of the Ames Fire Department.

The university is supportive of continuing a cooperative fire protection agreement which would provide for payment of approximately 25% of the cost by the university. However, the university sought improved control of costs of fire protection because the amounts charged by the City of Ames have increased much more rapidly than the supplies and services budget funded by the Legislature. The university reported costs charged by the city which exceed by over 30% university fire protection budgets based on state funding.

The university proposed an agreement with the City of Ames of indefinite duration with either party having the right and power to cancel, terminate, and void the agreement effective July 1 of any year if such party has given notice to the other of that intention not later than the previous July 1. The agreement provides for revisions mutually agreed to and approved by the Ames City Council and the Iowa State Board of Regents. The proposed agreement provides that the university shall pay to the City of Ames each year during the term of the agreement one-fourth of the net expense of the operation of the Fire Department of the City of Ames for the prior fiscal year except that the university's obligation for 1981-82 shall not exceed \$330,000. Net expense is defined to exclude amounts paid to the

city by other state or federal agencies, to exclude salaries and costs of the City Manager's Office and additional building inspectors assigned to the fire department, and to include a depreciation schedule for equipment and buildings.

The proposed agreement provides that should the university disagree with the budget proposed by the city or take exception to any of the proposed expenditure items, in no case will the university be obligated to pay more than the actual amount established in the 1981-82 fiscal year incremented annually by subsequently agreed amounts. It provides also that should the university not agree with the proposed budget, the city shall either reduce the budget to a level acceptable to the university or proceed to operate at a higher financial level reducing the university's share of the net expense. It also provides that any replacement item, piece of equipment, or building modification costing in excess of \$100,000 shall be submitted to the university for its specific approval prior to the inclusion in the base and shall be depreciated as specified in the agreement.

The Board Office said that whereas the 1966 agreement required the payment of one-fourth of the net expense of operation each year and was binding for a ten-year period, the proposed agreement allows cancellation or revision. Moreover, the proposed agreement allows for adjustment of the budget for the university's share which might be based on considerations such as support by state appropriations.

The institution reported that a portion of the cost of fire protection is charged to the Ames Laboratory and the Dormitory System.

The Board Office said that although other property tax exempt entities in the City of Ames do not pay for fire protection, there have been many years during which the university has provide support for the city fire department. Moreover, the University of Iowa and the University of Northern Iowa have agreements with the local communities to support fire protection services. However, the Board Office said it seemed appropriate that the university should have the flexibility of adjusting its support to amounts which are related to availability of funds. It said the proposed agreement appeared to be equitable and to reflect the university funding mechanism.

The Board Office recommended the revised agreement between the City of Ames and the Board of Regents for fire services at Iowa State University be approved.

MOTION:

Mr. McDonald moved that the board approve the agreement between the City of Ames and the Board of Regents, State of Iowa, for fire protection services at Iowa State University. Mrs. Murphy seconded the motion and it passed unanimously.

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

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

Handicapped Accessibility Program - Phase III - Contract 3 - Passenger Elevator and Stairwell for Industrial Education II

Award to: Harold Pike Construction Co., Ames, Iowa

\$98,500.00

The university also submitted an amended project budget showing this particular award within the overall project budget of \$1,225,000 funded by 1979 capital appropriations.

The board was requested to approve the following new project:

Friley Hall Renovation - Phase III

This phase, planned to be undertaken in 1982, will involve renovation of 71 rooms, 20 house dens, four bathrooms, and a major stairwell change to meet current life and fire safety codes.

All fundings for this project to date have come from Dormitory System Surplus Funds.

The university is greatly concerned about timely completion of Phase III and proposed a non-traditional approach to project procurement. This approach involves engaging a contract architect to provide design services and hiring a construction manager. Part of the construction manager's role would be to prequalify bidders.

Brooks, Borg and Skiles, Des Moines, Iowa, has been the contract architect on the first two phases. The university requested permission to enter into negotiations for design services with this firm for Phase III. At the same time, the university intends to interview several firms having construction management capabilities. Contract conditions, costs, and initial project budget, as well as the design and construction manager contracts will be brought back to the board for action.

The Board Office said the concept outlined by the university appeared reasonable and has been used in several different variations on projects at the University of Iowa. To avoid conflict of interest, the university stated at the outset that should a construction manager be selected from a construction firm, bids from that construction firm will be considered only when they cannot be obtained elsewhere. The project uses a modified form of "fast-tracking" which is utilized when normal contract procedures create problems in timely completion.

MOTION:

Mr. Nolting moved that the board approve the Register of Capital Improvement Business Transactions for the period of April 18 through May 22, 1981, ratify awards of construction contracts made by the executive secretary; approve the amended budget; approve the new projects; authorize negotiation for design services; and authorize the executive secretary to sign all necessary documents. Mrs. Murphy seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to Iowa State University.

President Parks said that the financial aid situation at all of the universities is in a chaotic condition. The financial aid offices have been told there are going to be severe cuts in student aid, but they have not been told how much or where. Under some proposals the guaranteed student loan program would be eliminated.

President Parks said school would start in only three months. The students are going to return to classes without knowing how much money they have. The only notification that can be given to these students is that their entitlements would be an amount based on the assumption that the rules at the federal level are the same as they are now. He said the students would blame the university if they get a different commitment than they had last year.

President Parks thought cuts in the federal funds would mean tuition increases, increases in housing costs, and much less financial aid. He said he did not have a solution and that it is incumbent upon everyone to talk to the Legislature and Congress and impress upon them the necessity of making the financial aid rules as liberal as possible and to let the universities know what the rules are going to be. He said the universities need time to prepare for these changes. He suggested that there would be big problems when the students return to campus unless the universities get better answers about the federal funding.

Mr. Richey noted that at Iowa State University, students pay for the semester at the outset of the term. He suggested that this could be varied. President Parks said this worked well for the quarter system which the university has been on. He said the university has tried to stay away from a billing system because it would be expensive. He noted that there is an emergency loan fund and that any student in good standing may get an emergency loan. If some of the present proposals are implemented, it could be necessary to have an emergency fund of \$15 million. He noted there would also be less certainty in the loans being paid back.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, May 21, 1981.

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

PROPOSED CURRICULAR CHANGES FOR THE UNIVERSITY OF NORTHERN IOWA, 1980-81. It was recommended that the proposed curriculum changes for the University of Northern Iowa be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The Board Office explained that each year the university submits to the board a report on its proposed curricular changes for the next academic year. This year's report included a request for a new major in Power and Energy Technology on the Bachelor of Technology degree; for proposed Bachelor of Arts degree majors in Computer Science and in Computer Information System; for a proposed major in Public Administration on the B.A. degree, an interdisciplinary program; for a minor in Business Communication on the B.A. degree; and for a new general university program, the Army Reserve Officers Training Program. The university also requested that the School of Business minor in Organizational Management be dropped.

MOTION:

Dr. Harris moved that the board refer the proposed curriculum changes for the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mrs. Murphy seconded the motion and it passed unanimously.

Regent Anderson asked if the material presented on the proposed curricular changes would be presented in the same form when the board gives final consideration to them and if questions should be raised at that time. Mr. Richey replied that it would be appropriate for Regents to indicate areas of concern to which they want the committee and Board Office to give attention. He said board members could indicate these concerns directly to the Board Office and committee.

Regent Anderson was concerned about this procedure. She said if there was no preliminary conversation, she did not understand why the material was presented at this time. President Brownlee said that preliminary conversation could take place at any time and that it would be appropriate for Regent Anderson to bring up her questions at this time.

Regent Anderson said she had questions about the cost of the Computer Science major relating to the possible need for additional faculty. She thought this might be more costly than estimated. Vice President Martin said that the department was undergoing an evolution. There has been a shift in the mathematics and computer area and the link between computational mathematics and computer science is becoming a little blurred. He said mathematics is undergoing a change in regard to what is happening in the computer areas. He explained that the university used a vacancy in the mathematics area to make an appointment in the computer science area. Another person will probably be added in the computer area in another year.

Regent Anderson noted that the computer field is tremendously popular. She questioned whether the university's projections on the growth of this major were realistic. She thought they might be low. Vice President Martin responded that it is difficult to judge what will happen in other areas. He noted that the use of computers is becoming increasingly significant and that this is also true of other areas. He said the university was not sure how many majors it would have.

Vice President Martin noted that the proposed curriculum changes had been accepted by the Coordinating Council on Postsecondary Education. They were also shared with the other Regent universities.

In response to Regent Anderson's concern that the cost estimates were very conservative, Vice President Martin said that the department may have to make adjustments. He said the university was in a good position in terms of computer equipment for academic computing. President Kamerick added that the costs would not be incremental costs to the university. They would be to the department and it may be necessary to have an additional allocation. Vice President Martin noted that the department has not been promised any additional funds.

OTHER PERSONNEL MATTERS. The university presented two supplemental appointments for action by the board:

Appointments:

Dr. John Fecik, Professor and Head of the Department of Industrial Technology, with tenure, effective approximately August 15, 1981, at a salary of \$38,000.

Dr. Fred D. Carver, Professor and Dean of the College of Education, with tenure, effective approximately September 1, 1981, at a salary of \$49,500.

Vice President Martin explained that the negotiations for these appointments had been recently completed and that the university wanted to bring the appointment process to a close before commencement.

MOTION: Dr. Harris moved that the board approve the appointments as listed above. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the period of April 4 through May 8, 1981 had been received, was in order, and was recommended for approval.

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

Street and Parking Lot Asphalt Maintenance Work (1981 Parking Lot Maintenance; Hillside Court Street and Parking Lot Repairs; 1981 Special Maintenance)

Award to: Municipal Street Improvement, Inc., Wyoming, Iowa \$41,484.00

College Courts Family Housing - Repairs and Painting

Award to: Iowa City Painting Company, Iowa City, Iowa \$29,120.00

Division 1: Extention of Campus Street - University Avenue to Jennings Drive and Division 2: Reconstruction and Expansion of Industrial Technology Center Parking Lot

Award to: Cedar Falls Construction Co., Inc., Cedar Falls, Iowa \$192,147.80

Price Lab School - Roof and Coping Improvements

Award to: L & S. Roofing, Division of Gentry & Green Enterprises, Inc.

The university submitted a revised project budget lowering the total project amount from \$56,000 to \$41,000 to account for the favorable bids received.

An irregularity in this bid was the failure of the bidder to submit specified equal employment opportunity information. The required information was submitted prior to award of contracts.

Russell Hall Roof Improvements

Award to: L & S Roofing, Division of Gentry & Green Enterprises, Inc.,
Des Moines, Iowa \$30,186

An irregularity in this bid was the failure of the bidder to submit specified equal employment opportunity information. The required information was submitted prior to award of contracts.

The following construction contract was recommended for approval:

Latham Hall - Roof Replacement

Award to: L & S Roofing, Division of Gentry & Green Enterprises, Inc.,
Des Moines, Iowa \$82,615.00

This contract was submitted to the board for approval because the contract award could not be made within the approved project budget. The university recommended approval of a revised project budget which increased by \$15,000 to a new total of \$95,000 to reflect the bids received. The source of funds remains Building Repairs.

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

Reconstruct Campus Street and 27th Street (Hudson Road to Campus Street)

Since board approval of this \$262,000 project in April, the university has determined a need to increase the budget by \$90,000 to construct a central campus turnaround and a small parking lot. This parking lot would provide centralized parking spaces for handicapped parking and regular central campus needs. Source of funds for the increase was \$37,000 in Reserve Parking Lot Revenue and \$53,000 in Treasurer's Temporary Investments. The latter funds are utilized for the handicapped portion of the project.

The board was requested to approve the following new projects:

Renovate Tropical Greenhouse
Source of Funds: Building Repairs \$33,000.00

Tuckpoint East Gym
Source of Funds: Building Repairs \$72,000.00

Energy Meters - Residence System Buildings
Source of Funds: Residence System Improvement Funds \$38,000.00

This project provides for energy meters, both condensate and electric, in the residence system buildings which will be interconnected with the proposed automated centralized control system. These meters will give accurate readings for the first time of electrical and steam consumption per residence hall.

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

Reconstruct Campus Street and 27th Street (Hudson Road to Campus Street)

The university requested an amendment of its contract with Jensen Consulting Engineers, Inc., Cedar Falls, Iowa, which would provide for the enlarged parking lot and turnaround mentioned above as part of the revised project budget. The split in funding is between Treasurer's Temporary Investments and Reserve Parking Lot Revenue. The amendment is on an hourly rate basis with a maximum of \$6,650 for basic services and reimbursable expenses.

Central Control System and Energy Retrofit "Control" Items for Seven Buildings

Ratify an amendment to the agreement between the university and The Durrant Engineers under which Durrant prepared and filed energy conservation measures grant applications for seven buildings and automated centralized control systems, and technical assistance in grant applications for energy studies of 35 buildings. This was done in accordance with Iowa Energy Policy Council guidelines and involved a fixed fee of \$3,400. A significant grant application has been submitted to the Energy Policy Council for the federal energy conservation grant program.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for the period of April 4 through May 8, 1981; ratify awards of construction contracts made by the executive secretary; approve the construction contract; approve the revised and amended budgets; approve the new projects; approve the contract amendment; ratify the agreement amendment; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

TENANT PROPERTY RENTALS: 1981-82 MONTHLY RATES. It was recommended that the board approve the schedule of garage and residential unit monthly rental rates for FY 1981-82 with the new rates commencing July 1981.

UNIVERSITY OF NORTHERN IOWA
 May 21, 1981

	<u>Property</u>	<u>Present Monthly Rate</u>	<u>Proposed Monthly Rate</u>
1.	Rownd Farmhouse J. J. Shurman	\$ 75.00	\$ 80.00
2.	1223 West 22nd Street William Stewart	350.00	375.00
3.	2218 Campus Street Robert Kramer	225.00	240.00
4.	1227 West 23rd Street Carol Scharff	200.00	215.00
5.	1227 1/2 West 23rd Street E. Horstman & D. Finer	150.00	160.00
6.	Garage - West 23rd Street Landon Parsons	10.00	10.00
7.	Garage - West 23rd Street William Stewart	10.00	10.00
8.	Garage - West 23rd Street Russell Welp	10.00	10.00
9.	Garage - West 23rd Street Kerry Hanson	10.00	10.00
10.	1215 West 22nd Street William Reese	180.00	190.00
11.	1221 West 23rd Street #1 Mary Walsh	145.00	155.00
12.	1221 West 23rd Street #2 Sandy Sterret	145.00	155.00
13.	1221 1/2 West 23rd Street #3 Mark Helm	145.00	155.00
14.	1221 1/2 West 23rd Street #4 Mary Blaisdell	145.00	155.00
15.	1209 West 23rd Street James Bittner	350.00	375.00

The Board Office explained that monthly rental rates were maintained or increased up to 7.5% based on several criteria including rental rate increases for 1981-82 residence halls, condition of the property, and competitive conditions.

The university reported long-range plans to remove the structures involved and to use the land for purposes more directly related to university functions.

MOTION:

Mr. Nolting moved that the board approve the schedule of garage and residential unit monthly rental rates for FY 1981-82 with the new rates commencing July 1981.

Mrs. Anderson seconded the motion. Upon a roll call, the following voted:

AYE: Anderson, Harris, Jorgensen,
McDonald, Murphy, Nolting,
Neu, Wenstrand, Brownlee

NAY: None

ABSENT: None

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, May 21, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for April 1981 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no transactions on the Register of Capital Improvement Business Transactions.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, May 21, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for April 1981 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the month of April 1981 had been received, was in order, and was recommended for approval.

The register contained two items on the following project:

Service Building Addition

There was a routine contract change order issued to B. A. Westbrook Construction Co., Marion, Iowa, in the amount of \$215.63.

There was an acceptance of the completed construction contract for this project with B. A. Westbrook Construction Co.

This is a \$200,000 project funded by a \$140,000 line-item appropriation made in the 1979 Session and a \$60,000 transfer of tuition replacement appropriation balances. The project involved demolishing old Orchestra Hall and the old Laundry Building, capping and reworking the utility services on those buildings, and some site restoring. The Service Building Addition involved construction of 3,000 gross feet to house groundskeeping and paint shops.

MOTION:

Mr. Nolting moved that the board approve the Register of Capital Improvement Business Transactions for April 1981; approve the contract change order; accept the completed construction contract; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

SHARING OF FACULTY WITH VINTON COMMUNITY SCHOOLS, 1981-81. It was recommended that the board authorize the superintendent of the Iowa Braille and Sight Saving School to negotiate a contract with the Vinton Community Schools to reimburse Iowa Braille and Sight Saving School for the services of Rose Mary Miner, Spanish teacher, pending a review of the contract by the Board Office prior to execution.

The Board Office said this agreement would be consistent with the spirit of cooperation that the board has desired between Iowa Braille and Sight Saving School and the Vinton schools and would hopefully set a precedent for joint employment of other faculty in future years.

The Board Office recommended approval of the proposed contract, subject to review by legal counsel in the Board Office.

Superintendent DeMott explained that the Spanish teacher at the Vinton Community School had died. He said this was an excellent opportunity for Iowa Braille and Sight Saving School and would establish a desirable precedent to share in this manner in the future.

MOTION:

Mrs. Anderson moved that the board authorize the superintendent of the Iowa Braille and Sight Saving School to negotiate a contract with the Vinton Community Schools to reimburse the Iowa Braille and Sight Saving School for the services of Rose Mary Miner, Spanish teacher, pending a review of the contract by the Board Office prior to execution. Mrs. Jorgensen seconded the motion and it passed unanimously.

OTHER PERSONNEL TRANSACTIONS. The school presented a supplemental item to the board for action:

Appointment:

Daniel Lee Wirth, as Director of Student/Home Services, effective June 8, 1981, at a salary of \$21,300.

Superintendent DeMott explained that the current director of Student/Home Services would be leaving the campus on June 5 in order to use vacation time. Mr. Wirth will start the position on June 8.

MOTION:

Mr. Neu moved that the board approve the appointment of Daniel Lee Wirth. Mr. Nolting seconded the motion and it passed unanimously.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
May 21, 1981

President Brownlee then asked board members and institutional executives if there were additional matters to be brought up for discussion pertaining to the Iowa Braille and Sight Saving School.

Superintendent DeMott indicated that the school has received a report of the on-site review by the joint review committee of the North Central Association and the national accreditation council. He said this report, which was very constructive, would be submitted to the board in June.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:25 p.m. on Thursday, May 21, 1981.


R. Wayne Richey
Executive Secretary