

The State Board of Regents met at the University of Northern Iowa on Thursday, November 13, 1980. Those present were:

November 13, 1980

Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mr. Brownlee	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. Neu	All Sessions
Mr. Shaw	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
Director Volm	All Sessions
Ms. Baker, Secretary	All Sessions

State University of Iowa:

President Boyd	Exc. 2:40 p.m.
Vice President Bezanson	Exc. 2:40 p.m.
Vice President Brodbeck	Exc. 2:40 p.m.
Assistant Vice President Small	Exc. 2:40 p.m.
Assistant to President Mahon	Exc. 2:40 p.m.
Director Hawkins	Exc. 2:40 p.m.
Acting Director Brisben	Exc. 2:40 p.m.
Ms. Phillips	Exc. 2:40 p.m.

Iowa State University

President Parks	Exc. 2:50 p.m.
Vice President Christensen	Exc. 2:50 p.m.
Vice President Hamilton	Exc. 2:50 p.m.
Vice President Moore	Exc. 2:50 p.m.
Assistant Vice President Madden	Exc. 2:50 p.m.

University of Northern Iowa

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

Iowa School for the Deaf:

Superintendent Giangreco	Exc. 2:55 p.m.
Business Manager Kuehnhold	Exc. 2:55 p.m.

Iowa Braille and Sight Saving School:

Superintendent Demott	Exc. 3:00 p.m.
Business Manager Berry	Exc. 3:00 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, November 13, 1980.

EXECUTIVE SESSION. President Petersen reported that the board needed to enter into executive session to discuss strategy in regard to collective bargaining at the University of Northern Iowa under Section 20.17, Section 39 of the Code of Iowa, 1979, and to discuss strategy in regard to imminent litigation under Section 28A.5, Section 51a, of the Code. On a roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Brownlee, Jorgensen, Neu, Shaw, Wenstrand, Petersen
NAY: None
ABSENT: Harris

The board, having voted by at least a two-third majority, resolved to meet in executive session beginning at 10:10 a.m. and arose therefrom at 11:35 a.m.

APPROVAL OF MINUTES. The minutes of the September 18-19, 1980, board meeting were approved as distributed.

Regent Bailey indicated that he had turned in to the Board Office substantive corrections on the minutes of the October 15, 1980, board meeting. President Petersen noted that these corrections would be made and said that otherwise the minutes were approved as distributed. President Petersen stated that any additions or nonsubstantive changes should be turned in to the Board Office.

COMMITTEE ON EDUCATIONAL COORDINATION - PROPOSED DOCTOR OF PHARMACY DEGREE AT THE STATE UNIVERSITY OF IOWA. It was recommended that the board approve the proposed Doctor of Pharmacy Degree Program at the State University of Iowa, subject to receipt of the requested funding and favorable receipt by the Iowa Coordinating Council for Post-High School Education.

The Board Office explained that this program was approved by the Regents to be submitted as part of the essential program adjustment request for the 1981-83 biennium. The Board Office requested that formal approval of the program be obtained through the normal Regents program approval process. In October, the board referred the proposed program to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee reviewed the proposed program and recommended its approval.

The Board Office said there has been internal debate within the profession centering on "What professional degree program should be required as a minimum for entrance into pharmacy?" "What is the role of the pharmacist?" and "What should the pharmacy curriculum consist of?"

The proposed doctoral program in Pharmacy at the University of Iowa represents the university's response to these three questions. A Pharm.D. program was proposed at the University of Iowa in response to the perceived needs which exist in various constituencies within the state: the general citizenry, pharmacists, pharmacy students, and the College of Pharmacy. It is partly the result of a revolution in the field of pharmacy called "clinical pharmacy," which is reportedly sweeping the professional schools of pharmacy in the United States. According to the university's proposal, "clinical pharmacy practice emphasizes the analysis and evaluation of the patient - specific drug and disease information with the objective of achieving and maintaining optimal drug therapy in individual patients. The Pharm.D. graduate is uniquely prepared for such practice.

The university's proposal noted several students that have demonstrated that clinical pharmacy services can significantly improve the effectiveness of health care delivery to the public. According to the proposal, "the proposed Pharm.D. program will stimulate continued development of clinical pharmacy practice in Iowa, both directly, by producing advanced-level practitioners, and indirectly, by the examples and leadership such practitioners are expected to demonstrate."

The University of Iowa proposal would not replace the current B.S. degree programs in pharmacy. The B.S. degree requires 5 years of study beyond high school, i.e., one to two years of preprofessional general science education and three to four years of professional education. Baccalaureate level pharmacists are prepared for the general practice of pharmacy and for certain positions in industry or government. These programs typically include the equivalent of one academic year of clinical education.

The proposed Pharm.D. program will build upon the baccalaureate foundation by adding more than two academic years of intensive clinical-oriented education designed to extend, focus, and refine the ability to provide clinical pharmacy services.

The proposed Pharm.D. program would not replace the current graduate degree programs in pharmacy. It is an advanced professional degree that has educational objectives and approaches different from those of the other graduate degree programs. The chief distinction between the M.S. and Pharm. D. programs lies in the differences in objectives and educational strategies. The M.S. Program in Hospital Pharmacy is designed to prepare pharmacists for investigation, organization, and delivery of pharmaceutical services in organized health care settings. The proposed Pharm.D. program is designed to prepare pharmacists for specialized clinical pharmacy roles. The M.S. program does not employ

a prescribed curriculum and relies heavily on research for intellectual conditioning, whereas the Pharm.D. program has a prescribed curriculum and relies heavily on clerkships for intellectual conditioning. The M.S. student must successfully complete a research project and final examination; on the other hand, the Pharm.D. student must demonstrate clinical competence, according to the university's proposal.

The Board Office summarized that the Pharm.D. program is an advanced professional degree program which differs from the B.S. program more in depth than in type of preparation. The Pharm.D. degree is not being proposed as a substitute for the Bachelor of Science degree program.

The Board Office noted that this approach is consistent with the policies and guidelines of the American Council on Pharmaceutical Education (ACPE) which provide for two ways of offering the Pharm.D. - either as a two-year add-on program or as a six-year integrated program.

In regard to need for the program, the university said the proposed program was developed to: (1) provide the state of Iowa with advanced clinical pharmacy practitioners for improving the quality of health care services; (2) respond to the demand for such a program by students and pharmacy practitioners; (3) maintain the College of Pharmacy in the vanguard of pharmaceutical education; (4) attract high quality students and faculty to the University of Iowa; and (5) allow the College of Pharmacy to meet anticipated accreditation requirements.

According to the university, the results of a survey taken in July 1977 indicate an extremely favorable job market for graduates of the proposed program; moreover, they suggest definite opportunity for program growth. A study on the needs of undergraduate pharmacy students in Iowa for a Pharm.D. program suggests that more students desire to earn the Pharm.D. at the University of Iowa than can be admitted. The strong interest demonstrated in these two samples suggest that a significant number of licensed pharmacists, in addition to pharmacy students, would like to enroll in the proposed program, according to the university.

The Board Office said that according to the university's proposal, there are considerable additional costs required to implement and maintain the proposed program. These costs include additional faculty, teaching assistants, secretarial help, general expense, equipment, teaching and reference resources, and alterations and renovations to faculty offices and laboratory space. Several years ago, ACPE members were told of estimates that the Pharm.D. program would add as much as \$2,500 per year to the current average cost of about \$3,500.

According to the university only minimal faculty expansion cost is requested for the 1981-83. The College of Pharmacy, according to the proposal, is capable of and will assume the burden of the major share of the program's cost. The college expects to generate some of its own funding for the program via contract research and internal program

reorganization. In September the board approved an addition to its essential program adjustments for the 1982-83 request of \$100,000 for the College of Pharmacy to implement the Pharm.D. degree. The amount requested from the state is the minimum necessary to start the program and assure the fiscal integrity of the college's offerings. For this reason, the Board Office recommended that approval of the program be contingent upon the receipt of the requested state appropriation. It was the Board Office's understanding that the financing of the program will be adequate to fully implement the proposed program and achieve appropriate accreditation when the amount requested from the state is received and matched with that generated by the College of Pharmacy. No additional requests will be needed for this purpose.

The Board Office said the proposed Pharm.D. program would be the only such program in the state of Iowa, so duplication of offerings is not a concern in regard to this proposal.

The Board Office noted that the proposal has not yet been received by the Iowa Coordinating Council for Post-High School Education and that approval of this program should be contingent upon favorable receipt of the proposed program by the Coordinating Council. The program will be reported to the council in time for its December meeting.

President Petersen noted that the recommendation of the Board Office tied approval of the proposed program to legislative financing. She said it was her feeling that the board should not have to prejudge must come from the Legislature because there may be some other way the university could move ahead on the program. Vice President Brodbeck indicated the university would prefer that approval of the program not be tied to the source of funding. President Petersen suggested it would be better to approve the program subject to academic funding. Mr. Richey noted that this would be consistent with the board's policy of normally favoring the highest degree of flexibility.

In response to Regent Shaw's concern about where this proposal would stand in relation to the request to the Legislature for \$14 million institutional vitality and enhancement, President Boyd said that the first priority of the university is the vitality fund. He said the degree was being proposed because of a changing pattern in the profession with which the College of Pharmacy must deal.

Regent Bailey said he thought the Pharm.D. degree would add stature to the college and university. However, he mentioned the action taken by the board in not approving the Ed.D. at the University of Northern Iowa because of funding problems and questioned that there were differences in the consideration of the Ed.D. program and Pharm.D. program. He noted that some board members also voted against a proposal for a Ph.D. degree in the History of Technology and Science at Iowa State University because of concerns about funding.

Regent Bailey felt that this proposal might cut down on the effectiveness of the board's request for salary increases because there would be two conflicting requests being made to the Legislature. Vice President Martin said the university's funding request would stand independently.

President Boyd said that the degree was proposed because the field of pharmacy is changing and that the key professional entry degree is in the process of change. The university is dealing with a basic degree and adequate funds.

President Boyd said that the College of Pharmacy understands that the request for funds for this program does not have the same priority as the request for funds to maintain the vitality of the institutions. However, he said that holders of the pharmacy degree from the University of Iowa may be in a difficult position. The field of pharmacy is in a transitional period and at some point the Pharm.D. degree may become the basic degree.

Referring to the estimates of cost for this program made to members of the ACPE, Regent Bailey noted that this would mean more than a 50% increase in the operating budget of the College of Pharmacy. President Boyd explained that this increase would not come entirely from the state budget. He said the state contribution for pharmacy education is one of the lowest in the country. In the last several years the College of Pharmacy has received external funds other than state funds. The college contends that the university has never recognized this and that this area is not as high a priority in Iowa as it might be. President Boyd also pointed out that the figures provided do not show the full cost of educating a pharmacy student because only the general fund education cost is incorporated in the figures.

In answer to a question from President Petersen, Vice President Brodbeck said that only a few students are expected to be in the program initially. The number of applicants to the program will be limited at the outset.

Regent Brownlee said he shared Regent Bailey's concerns and asked for more information about how the Pharm.D. degree differs from other advanced degrees in pharmacy and about the different situation the field of pharmacy faces. President Boyd explained that the B.S. degree used to be awarded after four years of undergraduate work. It is now awarded after five years of work. He said the proposal for the Pharm.D. degree is reflective of a trend to make a six-year degree the basic entry degree into the field of pharmacy. He said the degree would have to be converted at some point and that the proposal was an internal step of trying it out with a few students. Eventually the whole program will need to be converted. He said that the profession of pharmacy is moving in this direction and the university has no control over this.

President Boyd said the college would implement the Pharm.D. degree with as little money as possible.

Regent Bailey asked about the possibility of delaying this proposal for a year or two until the state is in better financial condition. President Petersen pointed out that the program is not proposed for next fall and that it is already delayed in the university's proposal. Vice President Brodbeck said the university does not anticipate beginning the first class in the Pharm.D. program until 1982.

MOTION: Dr. Harris moved that the board approve the proposed Doctor of Pharmacy Degree Program at the State University of Iowa, subject to academic funding and favorable receipt by the Iowa Coordinating Council for Post-High School Education. Mr. Neu seconded the motion.

Dr. Harris said it should be made clear that the funding is the responsibility of the university.

VOTE ON MOTION: The motion passed unanimously.

ANNUAL ENROLLMENT REPORT, PART II. It was recommended that the board receive the Fall 1980 Enrollment Report, Part II, and approve the enrollment projections for all five Regent institutions.

The Board Office noted that the Annual Enrollment Report, Part II, includes: (1) university enrollment by college and by program; (2) enrollment projections for the universities and specialized schools; (3) enrollment of freshmen who were in the lower half of their graduating class; (4) a report on enrollment by race and sex; (5) a report on foreign students enrollments; (6) enrollment by physical handicap category; and (7) enrollment for all postsecondary education in Iowa.

In regard to institutional enrollment projections the Board Office said the the University of Iowa and the University of Northern Iowa are projecting total enrollment declines for each year after 1980, and Iowa State University, while projecting an increase in 1981, then predicts declines for each following year. The overall total headcount enrollment is projected to drop from a high of 60,401 in 1981 to 49,834 in 1990, a drop of 10,567 students (17.5%). The projected drops in headcount, by institutions, from Fall 1980, are 18.3% for the University of Iowa, 16.0% for Iowa State University, and 18.9% for the University of Northern Iowa. Over the same period, full-time equivalent (FTE) enrollments are expected to drop 18.7% at the University of Iowa, 16.1% at Iowa State University, 21.9% at the University of Northern Iowa, and 18.1% (9,848 students) for the total Regent universities full-time equivalent enrollment. Last year's projections predicted a ten-year drop in headcount enrollment of 9,459 students or 16.4%.

The Board Office said that enrollment projections show an anticipated peak in 1980, a steady decline until 1986 or 1987, and a slower decline in later years. The 1976 projected enrollments were below actual

enrollments and the sharp increase in enrollments for fall 1980 was not anticipated in any of the previous projections. It was also indicated that the current projections do not anticipate the distinct trend toward leveling of enrollments predicted in 1979 for 1988-89.

At the University of Iowa, the undergraduate headcount enrollment is expected to peak in 1980 at 17,204, declining to 13,181 by 1990. Professional enrollments will drop slightly and remain steady at 1,575. Masters and advanced graduate enrollments are projected to decline until 1988. A small rise in masters' enrollments is predicted after 1988 and in advanced graduate enrollment after 1989. Full-time equivalent enrollment projections are similar to those for headcount, but the undergraduate FTE is expected to rise slightly between 1980 and 1981.

At Iowa State University, the undergraduate headcount enrollment is expected to peak at 20,374 in 1981, declining to 16,159 in 1990. Professional enrollments are also expected to peak in 1981 and to remain steady at 480 after 1984. Masters and advanced graduate enrollments are expected to increase slightly until 1987. The projected full-time equivalent enrollment follows similar trends.

At the University of Northern Iowa, undergraduate headcount enrollments are expected to decline from a high of 9,708 in 1980 to 7,784 in 1990. Masters and advanced graduate enrollments are also expected to decline during this period. Full-time equivalent enrollments are predicted to follow similar trends, but FTE masters' enrollments are expected to increase slightly in 1987.

The Iowa School for the Deaf enrollment projections for 1981 to 1990 indicate that enrollments are expected to increase until 1982, to drop from then until 1985, and to increase slightly in subsequent years. The peak in 1982 results from all levels being filled in that year. The subsequent decline represents the graduation of the last "large" (60 students) class. The projections presented are quite similar to those provided a year ago, when it was predicted that the actual 1980 enrollment would be 272. The actual 1980 enrollment is 266.

The five-year enrollment projections based on weighted headcount for Iowa School for the Deaf also predict a peak in 1982. These projections indicate that the school expects to serve fewer students with a weighting factor of 2.0 while the number of students with a weighting factor of 4.0 (most severely handicapped) is expected to increase through 1982 and to decline to approximately the present level by 1985.

The ten-year enrollment projections of the Iowa Braille and Sight Saving School predict declining or steady enrollments through 1984 with subsequent increases to a projected level of 95 students in 1990. Similar projections provided one year ago predicted an enrollment of 86 for fall 1980. The actual fall 1980 enrollment is reported as 87. The trends projected at this time are similar to those of a year ago although the predicted drop in enrollment in 1981 is earlier than was predicted in 1979.

Iowa Braille and Sight Saving School also anticipates a decrease in the number of students with a weighting factor of 2.0 and first a drop and then a return to approximately the present level of students with a weighting factor of 4.0. This reflects the increased number of multiple handicapped students served at the school. Previously, the school had indicated that it expected to have no students with a 2.0 weighting factor by 1983. It is now indicated that four or five students in this category will be enrolled in 1983, 1984, and 1985.

It was reported that the number of students in the lower half of their graduating class who applied to the Regent institutions increased at the University of Iowa and Iowa State University and declined at the University of Northern Iowa. Of those in the lower half who were actually admitted, the numbers increased at the University of Iowa and Iowa State University and decreased at the University of Northern Iowa. The number of students who actually enrolled increased at the University of Iowa and Iowa State University and declined at the University of Northern Iowa.

The percentage of students admitted from the lower half of their class of the total of new freshmen increased at the University of Iowa for both resident students and nonresident students. At Iowa State University the percentage remained the same for resident students and increased for nonresident students. At the University of Northern Iowa the percentage increased. It appears that part of the increase in enrollment this fall at the three universities can be attributed to an increase in students from the lower half of their high school graduating class.

In regard to enrollment by race and sex it was reported that overall there was a slight increase in the percent of minorities enrolled at the undergraduate level. Small increases in the percentage of minority enrollments were reported for both the University of Iowa and Iowa State University, while a small decrease was reported at the University of Northern Iowa. It should be noted that these data combined foreign students (some of whom represent minorities) with the white and other categories.

In each institution, the total number of minority students and the percentage of minority students has decreased since 1979.

The enrollments of women in the Regent universities as a percentage of total enrollment has continued to increase. From 1979 to 1980, the largest increases were in the percentages of women graduate students. Overall, the percent of women undergraduates dropped. The total percentage of women enrolled increased.

With respect to enrollment of foreign students, over the time period of 1974, 1978, and 1980, the number of foreign students and the percentage of foreign students with respect to total enrollment has increased at the University of Iowa, Iowa State University, and for the Regent universities combined. Approximate data in 1978 make this comparison difficult for the University of Northern Iowa, but the numbers involved are relatively small.

The highest percentages of foreign students are enrolled in graduate programs at the University of Iowa and Iowa State University.

The report on fall headcount enrollment by physical handicap categories includes information on (1) permanently mobility impaired; (2) visually impaired students; and (3) acoustically impaired students. These categories are prescribed by federal regulations. Since this is the first year these data were collected, it was not possible to make any comparisons.

Every year, W. A. Cox, of the University of Iowa, compiles an enrollment report for the Iowa Coordinating Council for Post-High School Education on Iowa college and university enrollment. It was reported that the state universities' portion of postsecondary education in Iowa has remained in the 43-44% range throughout the period from 1974 through 1980. The private college portion of enrollment has fluctuated between 26% and 28%, while the percentage of enrollment from the community colleges and area schools has increased roughly from 22% to its present 26%.

President Kamerick began discussion on the Annual Enrollment Report, Part II, by indicating that the University of Northern Iowa expects to have a larger portion of students admitted from the lower half of their graduating class. He indicated that the university feels it has a community responsibility because there is no college parallel program available from a community college in the Waterloo-Cedar Falls area. He said the university also has many students in their mid-twenties and that their high school grades may have very little to do with their capabilities.

Regent Bailey asked if there was a way of determining how well the students admitted from the lower half of their graduating class work out in the universities. Vice President Christensen said that students who are in the lower half of their class and request admission to the university are strongly counseled about what to expect in the university. He said these students work out well. In answer to Regent Bailey's question, he said the university is not wasting its time by admitting these students. Vice President Brodbeck indicated that studies at the University of Iowa show that there is a retention rate of these students of about 71%.

Noting that the enrollment report is very detailed and includes a discipline by discipline analysis, President Parks urged the board not to lose sight of the whole picture. He said all the universities have more students than they can handle. They have been faced with enrollment growth and there have been no funds to support that growth. The 3.6% mandated cutback has had a very serious effect upon the quality and availability of education. He said these facts of undersupport should not be buried in statistics. More teachers and supplies to help them teach are needed. President Petersen said that the Regents are aware of individual problems experienced by students because of communications they receive from the students and their parents.

Regent Wenstrand made note of the increased enrollments in the engineering area and said this would compound a very serious problem in personnel and equipment. President Parks agreed. He said that because of the 3.6% cutback and pressures on enrollment, the university has been unable to fill vacant faculty positions. This means many students must wait to take courses they need. It also means that because of the pressures to teach research suffers because there are less resources to put into research.

Mr. Richey pointed out that the enrollment projections show that it will be at least 1985 before enrollments return to the level of 1979. He noted that there has been no funding for the growth in enrollment.

President Petersen reported that in her analysis of the report she found that an increasing number of students are attracted to the institutions because of specialized and unique strong programs they offer. If students are interested in engineering or agriculture, for example, they have little choice but to attend a Regent institution in order to get this training. There has not been as significant a growth in enrollments in areas where students have greater choice, such as in liberal arts. She felt this explained some of the enrollment growth.

Regent Shaw said he was surprised to see the increase in enrollment in 1980 carried all the way through the 1980s in the enrollment projections. He wondered if the increased enrollment could be attributed to the current economic conditions and suggested that the economy would not remain the same. Therefore, if the enrollments increased because of the economy and there is a strong economy in the years ahead, the enrollments could shift in the other direction. He said that in a stronger economy the university would be competing for students on a different basis. Opportunities outside of education could be greater than educational opportunities.

President Petersen said the enrollment projections should not be viewed only in light of one situation. She said an analysis of those enrolling showed an increase in the number of women, an increase in retention of students, and an increase in older students. These are independent of the economic situation.

Mr. Richey suggested that everyone retain the Annual Enrollment Report, Part II, because it will be referred to frequently in the next year.

Mr. Barak expressed appreciation to institutional representatives who supplied data for the report. He said they were very helpful and cooperative in coordinating all the data that was used. President Petersen said the board also appreciated the amount of analysis performed by the Board Office.

President Petersen received the report on behalf of the board.

LEGISLATIVE PROGRAM, 1981. It was recommended that the board receive the report on the Legislative Program, 1981.

The Board Office said there are three substantive issues under consideration for possible inclusion in the board's legislative program.

The first is a change in the bidding law, Section 262.34, relative to bid amount. The Governor's Economy Committee recommended an increase in the figure utilized from \$10,000 to \$50,000. Some movement in this direction was apparent in the 1980 Session when Senate File 2006 was passed to increase the amount for cities from \$10,000 to \$25,000. The Legislative Interim Committee on Governor's Economy Committee Recommendations has also recommended that legislation be drafted by the Service Bureau to implement the Governor's Economy Committee recommendations on this issue. The Board Office anticipates making a recommendation for board consideration in December.

The second issue under consideration involves Section 262A.3 of the Code. It requires the board to submit a proposed ten-year building program for each institution, including an estimate of the maximum amount of bonds which the board expects to issue under the provisions of this chapter during each year of the ensuing biennium. It has been suggested that this section be changed to provide for submittal no more often than biennially or, if submitted more often than every other year, limited to those years in which the board is seeking expansion of its academic revenue bonding authority. It has also been suggested that this matter could be raised routinely in an appropriations bill and eliminate some of the unnecessary paperwork. The Board Office noted that bond counsel has been requested to research this issue.

A third issue is that bond counsel has suggested there were instances in both the Hawkeye Arena and Hospital Revenue Bond issues where Board of Regents present bonding statutes restricted some of the flexibility of the board in carrying out its financing programs. The Board Office said bond counsel has been requested to outline what changes might be desirable in those bonding laws.

The Board Office asked that board members and institutional officials notify it of any other potential items for inclusion in the board's legislative program so research could be conducted prior to the December board meeting.

Mr. Richey opened the discussion by stating that the change in Section 262A.3 of the Code regarding bonding is a good suggestion. It would save money and not hurt anything. However, he was not sure that the board should consider it. He noted that this could be an item in an appropriation bill.

Regent Neu did not think the board should push consideration of Section 262A.3 or the changing in bonding suggested by bond counsel. He felt there could be some problems for the board in this area.

Mr. Richey indicated that there will be a large number of pieces of legislation relating to the Governor's Economy Committee recommendations. An internal committee will study these. He said a part of its deliberations will be related to employment relations recommendations about which the board has expressed serious concerns. He said a complete summary of the status of these recommendations is being prepared by the Board Office. This information will be useful background material for the Governor's budget hearing and to help the board in its considerations.

Regent Bailey referred to a letter written by David Henry about Iowa Supreme Court opinions regarding open meetings and public records. The matters discussed in Mr. Henry's letter involved the definition and treatment of "personal information" of applicants. He said this matter could also relate to student records and said there is a lack of a guarantee of privacy. He suggested that this matter should be considered further. Regent Shaw agreed and said the issue might be considered even beyond the employment area.

President Petersen made note of the request for research and evaluation to be done in this area about the board's responsibility and whether it would be wise to pursue this issue. Regent Neu suggested that it would be a good idea to work with other agencies as research progresses on this. President Petersen noted that a report would be made to the board on this issue so the board could take a position on it before it became a part of the legislative program.

President Petersen received the report on behalf of the board.

REPORT ON FEDERAL RELATIONS. It was recommended that the board receive the Report on Federal Relations.

The Board Office reported that on October 3, President Carter signed to law a \$48 billion bill to reshape and extend the Higher Education Act through Fiscal Year 1985. The Federal Relations report concentrated on Titles I, IV, IX and XII and a general discussion of the statewide planning and coordination requirements of the reauthorization bill, Public Law 96-374.

Now that the president has signed the amendments to the Higher Education Act of 1965, the bill may be cited as the "Education Amendments of 1980." Title XII - General Provisions - provides some significant changes in the state/federal relationship. These changes repeal all sections of the existing Title XII except the definition section and the prohibition against discrimination. The "Federal-State Relationship" section required that states receiving funding under Title I (currently the responsibility of the State Board of Regents and administered by the State University of Iowa), the SSIG Program (student financial aid program administered by the Iowa College Aid Commission, and Title VII (a Higher Education Facilities program administered by the Iowa College Aid Commission) must enter into an agreement with the Secretary of Education. Such agreement permits each

state to adopt the organizational structure deemed most appropriate to its needs, but requires certain functions to be performed as a condition for receipt of federal funds.

It was noted that the new legislation also includes two important qualifying paragraphs, which read as follows:

(2) (A) Nothing in this section shall be construed to authorize the Secretary to require any State to adopt as a condition for entering into an agreement, or for participation in an applicable program as defined in subsection (f), a specific state, organizational structure for achieving participation in the planning, coordination, governing, regulating, or administering postsecondary education agencies, institutions, or programs in the State.

(B) Nothing in this section shall be construed as a limitation on the authority of any state to adopt State organizational structure for postsecondary education agencies, institutions, or programs which is appropriate to the needs, traditions, and circumstances of that State, or as a limitation to the authority of the State entering into an agreement pursuant to this section to modify the State organizational structure at any time subsequent to entering into such an agreement.

It would appear from an analysis of the new language that Iowa is relatively free to adopt whatever structure it deems appropriate for carrying out its planning and coordination of postsecondary education. It also seems possible to accomplish this with little change in the present coordination structure. By the careful inclusion of words such as "the state comprehensive planning or policy formulation process," it is not necessary for Iowa to designate "an agency or agencies" as some earlier drafts of this legislation had required.

With some modifications, it is possible that Regent objectives can still be achieved, if not improved by the new law. First, it is still possible for the state (i.e., Governor) to designate the Board of Regents (i.e., the University of Iowa) as the agency responsible for the administration of Title I; the Iowa College Aid Commission as the agency responsible for subpart 3 of Part A of Title IV (i.e., SSIG) and Part A of Title VII (i.e., Construction, Reconstruction, and Renovation of Academic Facilities). The state would then need only to provide for such methods of administration as are necessary and proper, appropriate fiscal control, and policies and practices of administration that will insure that nonfederal funds will not be supplanted by federal funds and that equitable and appropriate criteria will be used in evaluation of applications or proposals for grants or contracts under such applicable programs; and finally, the state has to provide assurances regarding its comprehensive planning or policy formulation process.

The state "comprehensive planning and policy formulation process" requirements appear to necessitate some kind of overall planning and coordination that could not be achieved by merely designating the agencies noted above.

One alternative would be the designation of the Coordinating Council, by Governor's executive order, as the organization through which planning and policy formulation takes place. The Coordinating Council appears to meet most of the criteria designated in the new law.

One of the criteria, which would "provide for direct, equitable, and active participation in the comprehensive planning or policy formulation process or processes of representatives of higher education /including/ students, other providers of postsecondary education services, and the general public in the state," is being met with the exception of the provision for "students." The current membership of the council might need to be augmented by students. The public is currently represented by the public representatives to various boards and commissions, such as members of the Board of Regents.

There is no requirement that "a state agency" needs to be designated with overall responsibility. Thus, there doesn't appear to be any reason why the council could not be designated for this purpose.

The report dealt with implications of the changes in Title I, "Continuing Postsecondary Education Program and Planning," and Part B, Education Outreach Program. This now includes sections on "State Allotments," "Comprehensive Statewide Planning," "Information Services," and "Continuing Education," all of which have some important implications for Iowa and the Regents.

Because all of these programs have been included as part of Title I, it would seem unlikely that the Governor's Office would designate Title I as being totally the responsibility of the Board of Regents. A likely scenario might be for the Governor's Office to designate the Coordinating Council, with the understanding that the council could give responsibilities for the administration of various aspects of this section of the law to various state agencies. Since the amount of funding going to each of the sections is somewhat flexible, it would seem that some organization would need to have overall responsibility for determining the amount of appropriation going to each activity (unless the Governor's Office chooses to do this itself. With the exception of the overall responsibility, the administration of each of these programs could remain essentially where it is today.

The report then turned to Titles IV and IX, which deal with graduate student support. In the past the Higher Education Act authorized support of graduate students through loans, work=study, and small grant aid programs. This year the authorizing committees, in conjunction with the graduate community, made a concerted effort to streamline the grant aid programs by providing one comprehensive program of campus-based grant awards and a program of 450 portable competitive fellowships in the arts, humanities, and social sciences.

The Congress has reacted to various stimuli urging need-based support for graduate students.

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Two national study groups are mandated by the Amendments to study graduate education. A National Graduate Fellows Program Fellowship Board of 15 members must be appointed by the President. It will establish policies, select academic fields, determine the number of fellows per field, and appoint panels to select fellows. A National Commission on Student Financial Assistance will be appointed. Ten million dollars is authorized for the work of this Commission.

The Federal Relations report mentioned employment opportunities for graduate students. It also discussed the Energy Security Act (S. 932), which was signed by President Carter on July 1. It provides new programs and new authorities for the direct and immediate involvement of colleges and universities, as well as new programs that are of special interest.

The report included a section on issues of concern to the Board of Regents on which Congress might act in the post-election session. The first of these issues is appropriations. In November, the Congress is expected to vote on the Higher Education Appropriations for FY81 and FY82 Student Aid. The Carter Administration has requested a substantial increase in funds to fully fund these programs. Additional appropriations would make available substantial additional aid for both lower-income and middle-income students at all types of institutions.

Another issue is patents. The Senate recently passed a bill that would allow universities and small businesses to retain title to patents developed with federal funds. The House counterpart, H.R. 6933 contains provisions for big business that might prevent its introduction on the floor and that could create problems in conference, if introduced and passed in the House in its present form.

In the area of health research, many academic institutions have opposed H.R. 7036, the House's biomedical research bill. It would remove the permanent authorization for health research in Section 301 of the Public Health Service Act and introduce renewal authorizations on which action would be necessary every three years. Many academic institutions are concerned that this change could greatly politicize biomedical research. Passage of a health research authorization is not critical to the needs of biomedical researchers.

Two bills have been introduced regarding health manpower. The House bill is basically a conservative continuation of current law with a formal phase-out of capitation. The Senate bill would create a new incentive grant program to replace capitation.

In regard to the National Science Foundation (NSF) and appropriations, the NSF authorization needs to go to conference and the terms of the Women in Science program require resolution. NSF appropriations are up immediately upon Congress' return. Timing, rather than any substantive issue, is the principal concern.

There are a number of general measures in Congress that could have great impact on resources for the Regental universities. These are (1) the Second Budget Resolution, (2) the Reconciliation Issue, and (3) Sunset Legislation, as well as a number of other appropriations bills that touch on university research. On the regulatory side, certain proposed regulations have appeared that would facilitate the disposal of low-level radioactive waste generated on the campuses.

President Petersen suggested that the Coordinating Council be informed of the Report on Federal Relations.

Regent Bailey was concerned about the criteria to "provide direct, equitable, and active participation in the comprehensive planning or policy formulation process or processes of representatives of higher education." He noted that the public is represented by the public representatives to various boards and commissions and said he took exception to this. He felt that members of a board or commission would have a degree of bias in their attitudes. Regent Bailey suggested that the requirements of the Higher Education Act could be met by having the Governor appoint the public representatives.

Mr. Richey indicated that this possibility would be explored. He said there could be some problems with broadening the membership of the council. President Petersen said there is a lot of flexibility within the statute and that the designation of the Coordinating Council with delegation of responsibilities to other sections certainly meets the spirit of the amendments. Harold J. Burris, a co-author of the Report on Federal Relations, noted that the requirement would be for students to be a part of the planning group. Presently there is no student representation, so some arrangement must be made to include them.

Mr. Burris said the committee is very concerned about the issue of student aid. There is a serious problem in terms of receiving funding year by year. He said there could be a shift in terms of the commitment of the administration to funding. It is important to look seriously at the implications for student assistance in the next two or three years.

President Petersen thanked the committee, consisting of Harold J. Burris, University of Northern Iowa; William J. Farrell, University of Iowa; D. J. Zaffarano, Iowa State University; and Robert Barak, Board Office, for their work.

President Petersen received the report on behalf of the board.

PREPARATION FOR GOVERNOR'S BUDGET HEARING. There will be a Governor's budget hearing for the Board of Regents on Tuesday, December 9. It is scheduled to begin at 8:30 a.m.

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The Board Office reported that Mr. Dennis Nagel of the Governor's staff has been thoroughly briefed on all aspects of the budget including the tuition policy for the 1981-83 biennium.

President Petersen suggested that all board members try to attend the meeting on December 9 and that those involved in the presentations meet on December 8 to prepare for the presentations. She said that Regent Brownlee would present the concerns in regard to the board's request for a vitality fund and asked Dr. Harris if he would present the concerns on capital.

President Petersen said that other matters of concern which the board should be able to address include recommendations of the Governor's Economy Committee, implications of the 3.6% cutback, energy conservation, etc.

She said that if anyone had any suggestions about the presentations at the hearing, that they should tell her or Mr. Richey.

INSTITUTIONAL ROADS PROGRAM FOR 1981-85. It was recommended that the board (1) approve the 1981 program which includes payment for a project completed this year and six new projects, all totaling \$635,000 for construction and \$245,000 for other costs; (2) approve the Five-Year Institutional Roads Program for 1981-85 totaling \$4,580,000; and (3) accept the list of identified unmet institutional road needs at the institutions, as well as the summary of 20-year needs and direct that these reports be forwarded to the Department of Transportation for its information.

Since 1971 the distribution to the Regents from the State Parks and Institutional Road Fund has been 35.2%. Since 1978 the method of fund accumulation has been on a formula basis with accumulations to be off-the-top of all road use tax receipts annually. The fund receives 65/100ths of 1% of all such road tax receipts annually on a calendar year basis.

The Legislature directed that the Iowa Department of Transportation (DOT) conduct quadrennially a State Parks and Institutional Roads Need Study to evaluate the construction and maintenance needs and projected needs based upon estimated growth for each type of facility to provide a quadrennially updated standard upon which to allocate funds appropriated for the purposes of the act.

For the 1980-84 program only and prior to the issuance of a final needs study by the DOT, the department distributed the funds as follows: Conservation Commission, 40%; Board of Regents, 31%; Department of Social Services, 13%; National Guard, 4%; Merged Area Schools, 8%; and State Fairgrounds, 4%.

Percentage allocations were taken against the anticipated receipts for calendar year 1980, meaning that the Board of Regents programmed a flat \$775,000 per year for each of the five years in the past program.

Last year the board requested the IDOT to reexamine and update that portion of its Needs Study so that the study more accurately reflected the full road needs of agencies funded from that source. This review has been completed by the Iowa DOT.

The 20-year needs, as set by the IDOT for agencies involved, are as follows:

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<u>Agency</u>	<u>20-Year Need</u>	<u>Percent</u>
Conservation Commission	\$19,086,000	45%
Board of Regents	15,405,000	36
Department of Social Services	3,036,000	7
National Guard	2,869,000	7
Merged Area Schools	1,223,000	3
State Fairgrounds	912,000	2
TOTAL	\$42,531,000	100%

The IDOT projected the State Parks and Institutional Roads Fund yield for the next six years. This projection shows that the fund will grow by about 10.6% over the period involved beginning with a yield of \$2,445,000 in 1981 and growing to \$2,705,000 in 1985.

The Board Office said it was pleased that the DOT has more fully recognized the needs of the Regent institutions. The net effect of the increased percentage is that the board has approximately \$705,000 more to expend for State Parks and Institutional Road purposes over the next five years.

The Board Office said that in the 20-year needs of the board approximately \$19 million in needs have been identified compared with \$15.4 million accepted by the IDOT. The IDOT "screened out some ineligible items such as pedestrian overpasses and bikeways." The Board Office indicated it would continue to discuss eligibility of such projects with the IDOT. The next Needs Study is to be conducted in 1983 and the Board Office will work closely with the IDOT in conducting that study. The Board of Regents road needs are different in nature than what the IDOT staff normally encounters in conducting such needs studies.

The Board Office also expressed concern about the growth pattern for the road fund. The growth pattern is projected to be far less than inflation over the next five years. It would be assumed that the State Parks and Institutional Roads Fund would share in any enrichment of the road use tax fund by this session of the Legislature. Conversely, it would be assumed that if the fund is not enriched, the amount for State Parks and Institutional Roads would continue to be inadequate to meet most major road needs at Regent institutions.

The current summary of 20-year needs of \$19 million would require an average annual allocation to the Board of Regents of \$952,000 plus an inflation factor, as compared to the programmed five-year average of \$916,000. The fund needs to grow at least equal to the projected inflation rate. When costs were brought up to 1981 dollars, it was necessary to add a 10% inflation factor. That 10% compares to the fund average annual growth for State Parks and Institutional Roads of 2.2% per year over the next five years.

The Board Office reported there are 51.27 miles of institutional roads at Regent institutions. Over the next 20 years, the system would be expanded by about 7% or 3.5 miles; about 10% of the existing mileage would be reconstructed, and about 18% would be resurfaced.

The Board Office noted that an ad hoc interinstitutional Institutional Roads Committee composed of Mr. Finnegan, University of Iowa; Mr. DeKovic, Iowa State University; Mr. Walter, University of Northern Iowa; and Mr. McMurray, Board Office, annually makes recommendations to the board on a Five-Year Institutional Roads Program. The program presented had the unanimous concurrence of the committee. The program has been reviewed on a preliminary basis by the IDOT. The five-year program concept is dictated by the IDOT in that all primary road programs are five years in length.

In addition to construction projects, the 1981-1985 Construction Program also estimated routine maintenance costs at the institutions for roads. The amount programmed for maintenance has been increased in this program from \$115,000 to \$135,000 annually. This represents a four-year average of maintenance costs incurred by the institutions. The maintenance amount can vary dramatically from year to year depending upon the amount of snow removal costs incurred.

The other factor is estimated engineering and administrative costs. For the purposes of this program, it is based on 20% of the estimated total construction program annually.

During 1981, it is proposed to undertake six projects in addition to payment being made to the University of Northern Iowa for the actual cost of Reconstruction of Roads Serving Shops Area. The initial priority is to surface the access road for a radioactive material storage facility at the University of Iowa. The program also includes an access drive to the Art Building complex and the initiation of a project to extend the Iowa Avenue Overpass to make that facility more usable at the University of Iowa. Final reimbursement of this project would not occur until 1982. Total cost of the overpass is estimated to be \$370,000.

The 1981 program also includes a project to extend Campus Street at the University of Northern Iowa, which is actually completion of a project begun several years ago.

A new project to the five-year program would reconstruct a small portion of the road network at Iowa Braille and Sight Saving School in the vicinity of the Service Building. The sixth priority in the program would do some grading and graveling of farm roads under the jurisdiction of Iowa State University in Lucas and Delaware Counties.

The 1982 Program has two projects in addition to the final payment to the university of Iowa on the Iowa Avenue Overpass Extension. These include the construction of the new West Emergency Drive to the South Pavilion

Hospital Complex and the Reconstruction of Portions of Campus Street and 27th Street at the University of Northern Iowa.

The 1983 Program would undertake five projects. The first two would provide access for the new Communications Building and Law Building at the University of Iowa, if those projects are funded in the 1981 Legislative Session. The third project would initiate reconstruction of the institutional roads network at Iowa School for the Deaf. The fourth project would finish reconstruction of the roads serving Hancher Auditorium through work on the north entrance drives. The fifth project begins to extend Elwood Drive and relocate 6th Street on the Iowa State University campus.

The 1984 Program would construct Phase II of the Elwood Drive/6th Street project at Iowa State University, build a new access road for University Theatre at the University of Iowa dependent upon funding for the addition in the 1981 or 1982 Session and reconstruct the entrance drive for Hospital School.

The 1985 Program would complete the Elwood Drive project, resurface some selected streets at the University of Northern Iowa, and undertake Phase II of the Iowa School for the Deaf institutional roads network reconstruction project.

Seventeen new projects will be undertaken during the next five years at a cost of \$3,265,000 for construction. Identified major unmet needs in construction total \$9.4 million. Approximately one-fourth of the total construction needs of the institutions can be programmed in the 1981-85 period.

President Petersen noted that the board is faced with a situation in which there are road projects which should have been done earlier or need to be done soon but that are being delayed because of funding problems. She pointed out that just because some projects do not appear on the needs list, this does not mean that they are not needed. She said the institutional road needs should not be underevaluated.

Mr. Richey said that current allocations would meet about 30% of institutional road needs over the next twenty years. He said the Board Office has indicated to the DOT that if there is any relief in the institutional roads fund growth, the Regent institutions should share in this growth. He said that as long as the need continues, this should be the board's policy.

MOTION:

Mr. Bailey moved that the board approve the 1981 program which includes payment for a project completed this year and six new projects, all totaling \$635,000 for construction and \$245,000 for other costs; approve the Five-Year Institutional Roads Program for 1981-85 totaling \$4,580,000; accept the list of identified unmet institutional road needs at the institutions, as well as the summary of 20-year needs and direct that these reports be forwarded to the Department of Transportation for its information; and that the position of the board that it should share in any growth in road funding fund be communicated.

Mr. Brownlee seconded the motion and it passed unanimously.

President Petersen announced that Bob Rigler of the Commission of the DOT invited the Board of Regents to have dinner with the DOT Commission. The dinner will be held in Ames, Iowa, prior to the next Regents' meeting. President Petersen noted that more information on the dinner would be distributed to board members.

SEMIANNUAL REPORT ON REGENT PURCHASING OPERATIONS. It was recommended that the board accept the Semiannual Report on Regent Purchasing Operations.

The Board Office said the report covers purchasing statistics for the second half of FY 1979-80.

It was reported that work on the purchasing reports relating to conflict of interest and the general purchasing survey have not progressed as anticipated because of intervening priorities. The completion of the conflict of interest report will be made within the context of an Attorney General's opinion on conflict of interest which was released in September 1980.

The Regents Ad Hoc Purchasing Committee, composed of Donald Boss, University of Northern Iowa (chairman); Wayne Chadima, University of Iowa; Ronald Santi, Iowa State University; Melvin Kuehnhold, Iowa School for the Deaf; Marshall Berry, Iowa Braille and Sight Saving School; and Lyle Sonnenschein, (Regent staff coordinator), met September 16, 1980.

The committee revised a draft 1980-81 model year vehicle purchasing and disposal policy statement, discussed the Iowa Legislative Fiscal Bureau evaluation of the Department of General Services Purchasing Division in terms of the survey instrument used, received an oral report on activities of the Governor's Life-Cycle Purchasing Advisory Committee, concluded that a renewal of the Hewlett Packard purchasing agreement was in the best interest of Regent universities for the current year, and reviewed the content of the semiannual purchasing report with the objective of improving it.

An earlier concern expressed by the Board Office about the semiannual purchasing report was that statistical information presented was not comparable among the institutions. Institutional purchasing officers do not believe there is need for comparability of statistical information. The consensus was that the central purchasing function should continue to report that for which it is responsible. There was some agreement that the narrative material in the report could be improved, perhaps expanding on professional development, policy, and procedural considerations.

The committee also received an oral report on recent Communications Procurement Task Force activity and received an oral report on Iowa State University action to develop a minority purchasing program.

The Board Office generalized statements of purchasing conditions as reported by Regent institutions. These included the categories of pricing conditions, cooperative purchasing ventures, purchases from Iowa State Industries, administrative procedures, professional development, cost savings tactics, and semiannual purchasing statistics.

Regent Bailey commended the committee for its efforts and noted particularly the committee's ingenuity in the development of cost savings tactics.

President Petersen accepted the report on behalf of the board and thanked the institutional members who are responsible in the purchasing area.

CONTRACT WITH FINANCIAL CONSULTANT. It was recommended that the board approve the proposed contract with Duff & Phelps, Speer & Company, Chicago, Illinois.

The board established an Ad Hoc Committee on Municipal Bond Consultant consisting of Regents Petersen, Jorgensen, and Neu to study the issues relating to a contract with a financial consultant and to negotiate the terms and conditions of a new contract.

The committee reached several conclusions:

1. The services of the current contractor were of high quality and the arrangement should be continued if appropriate terms could be negotiated.
2. A more formal contractual arrangement should be established with the firm.
3. The contract should specify with some clarity the role of the firm with respect to the various types of borrowings and set forth the specific services covered.
4. The contract should include specific rates for services provided that do not relate to a specific public bond offering of the board.
5. The executive secretary should continue to be the board's agent in dealing with the firm on all matters relating to borrowings.

6. The compensation should be revised to recognize the effect of price inflation since the time the compensation was last negotiated with the firm.

The committee proposed that the compensation to the firm for each completed public bond offering be established at a base fee of \$7,500 per issue plus an add-on fee of one-tenth of one percent of the face value of bonds sold up to \$10 million in value. The add-on fee for the value of bonds in excess of \$10 million would be one-twentieth of one percent of the face value. The maximum fee per issue would be changed from \$12,500 to \$20,000. The maximum increase in compensation would be sixty percent over the terms of the existing contract. When this adjustment is considered as the only basic change in the contract during the 1970s, it appears to be reasonable in terms of price inflation. Moreover, review of fees paid by other public agencies for financial consultants indicates that the proposed terms are well within the prevailing rates.

The proposed rates for services not directed toward a public bond offering were established after consultation with the firm and a review of rates paid by other entities. With the maximum daily payment established, which was proposed by Mr. Speer, the rates appear to be reasonable. The board would continue to receive some services for which there would be no specific charge. The firm agrees to continue consultation similar to that heretofore provided as not related to a specific borrowing without the expectation of compensation.

The Board Office noted that the committee reviewed the role of the executive secretary in the handling of borrowings by the board. The Committee noted that the executive secretary is responsible under the provisions of Section 3.03, Subsection G, of the Procedural Guide for working with the board's financial consultant in the preparation and completion of all matters relating to the financing of capital improvements. The committee also noted the resolution adopted by the board in January 1980 relating to the role of the executive secretary in arranging for borrowings necessary to finance the Hawkeye Arena/Recreation Project. It was recognized in the resolution adopted at that time that the executive secretary of the board is the principal adviser to the Regents on matters pertaining to borrowings. The committee anticipates that the executive secretary will work out arrangements with the institutions to ensure his and the board's timely involvement in any future borrowing.

The committee solicited the views of the business officers of each of the universities and believed that the proposed contract recognized their concerns.

Regent Brownlee thanked the committee for its efforts.

MOTION:

Mr. Brownlee moved that the board approve the proposed contract with Duff & Phelps, Speer & Company, Chicago, Illinois. Mr. Wenstrand seconded the motion.

Regent Bailey said he thought there were several points in the contract that needed clarification. First, he referred to the following paragraph in the contract:

- D. The Board agrees to be responsible for all of its own expenses in conjunction with its financial program, other than the Firm's normal operating costs. Such expenses of the Board include, among others: legal fees, charges of rating or paying agencies, publication of notices, printing and distribution of an Official Statement, bond printing costs, delivery and travel expenses, and other costs of issuance.

Regent Bailey said it was his impression that the board does not pay Mr. Speer's individual travel expenses because they are included in his fees. He suggested that this be clarified. Mr. Richey explained that this section of the contract refers to the board's expenses.

Regent Bailey then referred to the following section of the contract:

- E. In the event an offering is not completed through no fault of the Firm, the Firm shall be reimbursed for all out-of-pocket expenses, other than normal operating costs, and shall be compensated for time expended under the rate structure set out in paragraph "B" above.

Regent Bailey pointed out that in the rate structure there is a \$20,000 maximum fee. He said this provision is not included in the above section. He felt that the maximum fee provision should be included in the above section so that the board would not have to pay more for a non-issue than for an issue.

Regent Bailey's next concern was about the paragraph which reads:

Such termination shall not be effective as to any specific public bond issue on which work has been initiated by the Firm.

Regent Bailey felt that some options for the board should be included in this paragraph. As stated, the board could not terminate the issue for any circumstance. He said it was possible that the board would want to terminate an issue that the firm was working on.

Mr. Richey pointed out that the ad hoc committee negotiated this latter item very closely and that this is a sensitive issue. Regent Neu explained that the financial consultant felt that it would not be fair to terminate an issue in midstream because of the time and effort that the firm would already have put into it. President Petersen said it would be fair to terminate a specific issue only if it is not placed with another agent. She said the board has the option of terminating an issue in progress but does not have the right of transferring the issue to another firm. The board is not bound to proceed with any bond issue and it may be terminated at any point.

Regent Jorgensen pointed out that this is a moot question because of the time frame. The firm must be notified of termination at least 90 days before the effective date of the termination and this is very close to the consideration of the bond issue.

The final section which concerned Regent Bailey was the section which reads:

11. Borrowing by the Board. This Contract shall include all borrowings undertaken by the Board during the term of the Contract. As used herein, a "borrowing" shall constitute any solicitation by the Board for funds which are to be repaid in designated amounts at stated times, shall carry interest at designated rates, and shall be repaid from specific receipts. The words "offering," "issue" and "borrowing," as used herein, are synonymous.

Regent Bailey felt this provision would unnecessarily bind the board because it would mean that the board would have to give the firm all of its business. President Petersen said that this section does not deal with loans from banks but only deals with bond borrowing. Regent Neu referred to a section of the contract which defines what is meant by borrowing:

1. Extent of Services. The Board hereby designates the Firm as its financial consultant for public bond offerings. The Board may utilize the services of the Firm for borrowings other than public bond issues. The Board shall, in any proposed borrowing, determine the services and tasks to be performed by the Firm and shall, in writing, specify the services expected on a proposed borrowing.

Regent Neu said this provision makes it optional for the board whether it borrows from a commercial institution or goes through a broker. The use of the word "may" in the first sentence and the phrase "other than public bond issues" would take care of Regent Bailey's concerns.

President Petersen indicated that this provision had been discussed with Mr. Speer and that he clearly understands that the contract gives the board the flexibility to borrow money without going through him for consultation or advice if it chooses to do so.

VOTE ON MOTION: The motion passed unanimously.

President Kamerick noted that the University of Northern Iowa has a loan out that could be affected by the meaning of the bond consultant contract. It was suggested that when Mr. Richey executes the agreement, that he send a letter, with a copy of the minutes on this matter, indicating the board's understanding of the intent of the contract and reach an understanding with Mr. Speer as to interpretation.

PROCEDURE FOR NOTIFICATION OF PROPOSED SALARIES FOR MAJOR ADMINISTRATORS.
It was recommended that the board approve the following addition to its procedure regarding changes in salaries:

4.11 Salaries (Board of Regents Procedural Guide)

- B. Procedure for reporting proposed changes in the salaries of major administrators:
1. Following board approval of preliminary budgets and approximately ten days prior to its consideration of final detailed budgets, university presidents shall inform the board of proposed changes in the salaries of all vice presidents, deans, and other major institutional administrators.
 2. Following board approval of preliminary budgets and approximately ten days prior to its consideration of final detailed budgets, the superintendents of the School for the Deaf and the Braille and Sight Saving School shall inform the board of proposed salaries of major institutional administrators.

The Board Office noted that in August the board asked that a procedure be developed to ensure opportunity for the timely review of proposed changes in the salaries of major administrators. It was intended that advance notification be done before detailed line budgets were presented to the board for final action.

The Board Office said the proposed procedure could provide approximately two weeks for chief executives to reach decisions on proposed salaries for major officers (with the knowledge of board action on preliminary budgets and their own salaries) and enable them to inform the board of proposed changes in administrators' salaries approximately two weeks before consideration of final budgets.

The recommended action would not require advance notification of proposed salaries for all directors and department heads, but would include the chief administrators of major units of the institutions.

President Petersen began discussion by noting that the proposed procedure would provide for an orderly way of informing the board about budgets and major administrative salaries.

Regent Shaw asked what procedure would be followed if there was a proposal to change a salary during the course of a year and suggested that the procedure might be stated in broader terms. President Petersen said that under the rules of the board, such changes would appear on the Register of Personnel Change and would be brought to the board for specific approval. Mr. Richey said that the proposed procedures would bring to the board's attention during the budgetary process the intent of institutional heads with respect to the salaries of major administrators of the institutions. With this method, the board will receive such information in time to react to it if it wishes to do so. He pointed out that the board does place strong reliance on the institutional heads in this regard.

Regent Shaw suggested that some of these positions be placed on some kind of scale system that is reasonably consistent among the institutions. He felt this would be a desirable goal. Both Regent Wenstrand and President Petersen disagreed. President Petersen said the institutions are unique and diverse and have different staffing patterns. The presidents of the universities have been given the responsibility of organizing their staffs in a way that will help them effectively do their jobs and she said the institutional heads need the freedom to do this.

MOTION:

Mr. Brownlee moved that the board approve the following addition to its procedure regarding changes in salaries:

4.11 Salaries (Board of Regents Procedural Guide)

- B. Procedure for reporting proposed changes in the salaries of major administrators:
1. Following board approval of preliminary budgets and approximately ten days prior to its consideration of final detailed budgets, university presidents shall inform the board of proposed changes in the salaries of all vice presidents, deans, and other major institutional administrators.
 2. Following board approval of preliminary budgets and approximately ten days prior to its consideration of final detailed budgets, the superintendents of the School for the Deaf and the Braille and Sight Saving School shall inform the board of proposed salaries of major institutional administrators.

Mrs. Jorgensen seconded the motion and it passed unanimously.

AFFILIATED ORGANIZATION ANNUAL REPORT: IOWA STATE UNIVERSITY RESEARCH FOUNDATION, INC. It was recommended that the board accept the Annual Report of the Iowa State University Research Foundation, Inc.

The Research Foundation filed 17 patent applications in the year ending June 30, 1980, and received 8 patents. The Board Office reported that the Research Foundation indicated that a large portion the more than \$371,000 royalty income during the year was from royalties on a vaccine for swine atrophic rhinitis. Copyright income increased and is expected to continue to increase.

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All categories of income increased during the past year and expenses dropped. The decrease was largely due to a reduction in grants-in-aid. Project expenses also decreased while interest, other than capitalized, increased.

The Research Foundation indicated that it is now selling its Gateway Hills property.

President Petersen said that the work of the foundation is important to the research function of the university and to protecting the interest of the institution as well as helping individuals.

President Petersen accepted the report on behalf of the board and thanked the foundation for its work.

REPORT OF UNIVERSITY OF IOWA RESEARCH FOUNDATION. President Petersen noted that there was some supplementary material on the Annual Report of the University of Iowa Research Foundation. Regent Bailey requested that this item be deferred until the next board meeting.

COMMENCEMENT DATES. The dates for the University of Iowa mid-year commencement and the Iowa State University fall quarter commencement are as follows:

University of Iowa - Saturday, December 20, 10:00 a.m.,
Hancher Auditorium

Iowa State University - Saturday, November 22, 9:30 a.m.,
Hilton Coliseum

President Kamerick indicated that the University of Northern Iowa would not have a mid-year commencement.

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

Merit Increase:

Barbara O. Baker, Secretary III, to \$13,319 (Grade 108, step 10) after annual merit evaluation, effective November 7, 1980.

Resignation:

Jacqueline J. Soloman, Secretary II, Merit Division, effective October 23, 1980.

NEXT MEETINGS.

December 17-18	Iowa State University	Ames
January 15-16	University of Iowa	Iowa City
February 19-20		Des Moines
March 12-13	University of Northern Iowa	Cedar Falls
	Iowa Braille and Sight Saving School	Vinton
April 16-17	University of Iowa	Iowa City
May 21-22	Iowa State University	Ames
June 18-19	Iowa Lakeside Laboratory	Okoboji

APPOINTMENT OF COUNSEL FOR THE UNIVERSITY OF IOWA. Mr. Richey introduced a supplemental item relating to the appointment of legal counsel for the University of Iowa in regard to a dispute with the Department of Health and Human Resources on funding. He noted that several board members had been contacted on this problem. The firm of Covington and Burlington was engaged to handle this matter. Mr. Richey noted that the board need to confirm his actions in hiring this firm. He also noted that the Executive Council has approved engaging the firm.

MOTION:

Mr. Shaw moved that the board ratify the executive secretary's actions in engaging the firm of Covington and Burlington to act as legal counsel in the matter of a dispute with the Department of Health and Human Resources at the University of Iowa. Dr. Harris seconded the motion and it passed unanimously.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, November 13, 1980.

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 appointment:

Appointment:

George L. Droll as Director of Residence Services at a salary of \$36,000 per year on a twelve month basis, effective October 17, 1980.

MOTION: Mr. Bailey moved that the board approve the appointment of Mr. Droll. Mr. Neu seconded the motion and it passed unanimously.

CATALOG CHANGES, UNIVERSITY OF IOWA. It was recommended that the board refer the proposed catalog changes for the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

President Petersen noted that there had been some discussion between the University of Iowa and the University of Northern Iowa regarding nursing programs and asked about the relationship of the programs.

Vice President Martin indicated that the University of Northern Iowa does provide some courses in a program which enables nurses to complete the B.A. degree. However, this is not a degree in nursing. It was indicated that the two institutions are trying to work out a cooperative arrangement in this area.

Regent Bailey suggested that the summary of the proposed courses would be useful information to present to the Legislature.

MOTION: Mr. Bailey moved that the board refer the proposed catalog changes for the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review. Mrs. Jorgensen 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 month of November 1980 had been received, was in order, and was recommended for approval.

The board was asked to ratify award of the following construction contracts which were awarded by the executive secretary:

Hawkeye Sports Arena - Contract 6 - Concrete I

Award to: Knutson Construction Co., Minneapolis, Minnesota \$495,000.00

In response to a question from President Petersen, Vice President Bezanson said that this contract is within the estimated amount.

University Hospitals - Air Conditioning, Linen Support Area

Award to R. M. Boggs Co., Inc., Iowa City, Iowa \$ 23,750.00

University Hospitals - Radiological Imaging Center, Phase C

Award to: McComas/Lacina Construction Co., Iowa City, Iowa \$ 28,737.00

University Hospitals - Four West Penthouse

Award to: Burger Construction Co., Inc., Iowa City, Iowa \$ 32,243.00

There was an irregularity in that the contract award could not be made within the preliminary budget amount, as approved by the board in October, for a total of \$31,000 funded from University Hospitals RR&A. The irregularity was waived since multiple bids were received that were reasonably grouped, the project is a utility need which must be done, funding for a modest \$4,243 budget increase was recommended by the university, and project time could be expedited about two weeks through award.

The university requested approval of a revised project budget totaling \$35,243. The reason for the increase was that the budget originally did not include the cost of winter construction.

The following construction contracts were recommended for approval:

University Hospitals - Radiological Imaging Center, Phase B

Award to: McComas/Lacina Construction Co., Iowa City, Iowa \$ 30,794.00

This project was found in several places on the register. Under "New Projects," the budget is set at \$29,255 funded from University Hospitals Building Usage Funds. The university also requested approval of a revised project budget to match the Building Usage Funds. The budget was revised to include the cost of specialized plumbing and lead shielding installation for radiological equipment which was not included in the original cost estimate and subsequent budget.

Campus Electrical Supply Renovations - Contract 3 - General Construction

Award to: O'Brien Electrical Contractors, Inc., Iowa City, Iowa \$1,195,000.00

The university requested approval of a revised project budget increasing the overall cost of the project by \$491,000 to a new total of \$3,056,000. A combination of severe inflation and substantial underestimating were cited as the cause of the budgetary overrun. The project is vitally important to provide capacity for electrical demand by the university, particularly for the University Hospitals.

Sources of funds for the increase in budget are \$233,000 in capital utility bonded project balances and \$258,000 in income from Treasurer's Temporary Investments.

The Board Office noted that until this project is completed, the university runs some serious risk of summer brown-outs. Anticipated completion date is no later than next fall.

The board was asked to approve the following new projects:

University Hospitals - Radiological Imaging Center, Phase A

Source of Funds: University Hospital Building Usage Fund \$13,915.00

The University Architect's Office was selected as inspection supervisor. In October the board approved selection of Hansen Lind Meyer, P.C., Iowa City, Iowa, as architect on the project. The project has five phases. Architectural services are being provided on Phases A, B, C, and E in a lump sum fee of \$13,400. Charge off for Phase A is \$790.

University Hospitals - Orthopaedic Clinic Expansion - First Floor, Carver B

Source of Funds: University Hospital Building Usage Fund \$58,800.00

The University Architect's Office was selected as inspection supervisor. In June the board ratified selection of Hansen Lind Meyer to provide architectural services on the project on an hourly rate basis to a maximum of \$3,800.

University Hospitals - Air Conditioning, Linen Support Areas

Sources of Funds:	General Hospital RR&A Funds	\$22,794.00
	University Hospital Building Usage Fund	<u>9,956.00</u>
	TOTAL	<u>\$32,750.00</u>

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

University Hospitals - Fifth Floor, Surgical Intensive Care Unit Support Area

Source of Funds: University Hospitals Building Usage Fund \$98,320.00

The board previously selected Hansen Lind Meyer of Iowa City, Iowa, as architect and inspection supervisor.

University Hospitals - Carver Clinic Utility Feeder Systems

Source of Funds: University Hospital Building Usage Funds \$99,030.00

The board previously selected the firm of Hansen Lind Meyer to act as architect and inspection supervisor.

University Hospitals - Radiological Imaging Center, Phase B

Source of Funds: University Hospitals Building Usage Funds \$29,255.00

The University Architect's Office was selected as inspection supervisor. Hansen Lind Meyer, Iowa City, Iowa was previously selected as project architect.

University Hospitals - Radiological Imaging Center, Phase C

Source of Funds: University Hospital Building Usage Funds \$39,820.00

University Hospitals - First Floor Corridor Refinishing

Source of Funds: University Hospital RR&A Funds \$52,075.00

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

University Hospitals - Oncology Remodeling - Third Floor, General Hospital

Source of Funds: University Hospital Building Usage Funds \$98,500.00

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

University Hospitals - Carver Pavilion West, Mechanical Room HVAC Airways

Source of Funds: University Hospital Building Usage Funds \$27,500.00

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

Currier Residence Hall - Fire Safety Alterations

Source of Funds: Dormitory Improvement Research \$55,350.00

The Physical Plant Department was selected as inspection supervisor. A future register will include an entry requesting the board to ratify the institution's action approving the selection of Wehner, Nowysz, Pattschull and Pfiffner for architectural services for this project.

Engineering Building - Remodel Second Floor, West End, Section 1

Source of Funds: General University Building Repairs \$81,000.00

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

The Board was requested to ratify or take action on four consultant contract matters:

Oakdale Water Treatment Renovations

Ratify a \$2,300 increase in compensation for additional engineering services rendered by Shoemaker & Haaland, Coralville, Iowa. The increased services were necessary, but not originally visualized by the university. The original purchase order was increased to \$10,300 from the original amount of \$8,000.

Recreation Building Addition

Ratify selection of Iowa Soil Test, Inc., Iowa City, Iowa, to provide testing services, on a standard unit charge and hourly rate basis to a maximum of \$2,400.

Children's Hospital - Reoccupancy Remodeling - Phase II

Ratify selection of Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, to provide a preliminary study and final design services through final plans and specifications on this project on an hourly rate basis to a maximum cost of \$19,000. The board has not approved a final project budget to date. The Board Office noted that this continues the process of piece-mealing the remodeling of Children's Hospital for general university purposes.

Children's Hospital - Reoccupancy Remodeling - Phase III

Authorize the university to negotiate a contract for architectural services with Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa. It is anticipated that Phase III of the sequenced reoccupancy plan for Children's Hospital will require architectural services in excess of \$25,000. That dollar amount requires board approval prior to negotiation of the contract. The negotiated contract will be submitted to the board for approval.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for November 1980; ratify award of construction contracts made by the executive secretary; approve the recommended construction contracts; approve the revised budgets; approve the new projects; ratify actions taken on consultant contracts; authorize the university to negotiate a contract for consultant services on the Children's Hospital - Reoccupancy Remodeling - Phase III; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

SEMESTER TUITION AND FEES SCHEDULE, 1981-82. It was recommended that the board approve the University of Iowa's semester tuition and fees schedule, 1981-82, with the exception of the proposed increase to \$45.00 per semester hour for extension courses. Consideration of the correspondence and extension course rate should be deferred to allow for interinstitutional discussion.

The Board Office provided the following discussion. In April 1980, the University of Iowa requested an increase in tuition for off-campus study and correspondence study. It was indicated by the university that "the extension deans have worked on this issue and reached an agreement on a common rate increase" and that "a request for approval of the same rate would be coming from the University of Northern Iowa in the near future." The board approved the increased rates, noting that "the institutions assured the board that the rates would be consistent."

In May 1980, the University of Northern Iowa requested approval of identical rates and the board approved this increase. However, Iowa State University has indicated to the Board that it does not plan to change its rates until 1981-82; thus, a rate differential currently exists.

The University of Iowa was again seeking an increase in the extension course rate. The Board Office noted that the Interinstitutional Committee on Educational Coordination has been asked to review the proposed rate schedule, but has not yet met to discuss the matter. In addition, it was the Board Office's understanding that the proposed rate schedules will not be uniform, as requested by the Regents. The Board Office asked that the board defer action on this item until there has been appropriate interinstitutional consultation and the development of a rational process for proposing changes in fee schedules that provide for simultaneous submission of the correspondence and extension course tuition changes by all three institutions.

The Board Office said the semester tuition and fees listed for undergraduates, graduates, and full-time students in dentistry, medicine, and law are identical to those approved by the board in October. The proposed tuition and fees for part-time students in professional areas and for additional registration categories are comparable to those approved in prior years.

In answer to a question from Regent Bailey, Vice President Brodbeck indicated that there would be no problem for the university in deferring approval of the extension course tuition and fees until the next board meeting.

MOTION:

Mr. Bailey moved that the board approve the University of Iowa's semester tuition and fees schedule, 1981-82, with the exception of the proposed increase to \$45.00 per semester hour for extension courses with consideration of the correspondence and extension course rate to be deferred to allow for interinstitutional discussion. Dr. Harris seconded the motion and it passed unanimously.

PURCHASE OF PROPERTY. It was recommended that the board approve the purchase of property located at 410 South Madison Street, Iowa City, Iowa, for a purchase price of \$18,000 from Mary Kane.

The university requested approval of the purchase of the property which consists of a one and one-half story frame house with basement on a 1,500 square foot rectangular lot. The purchase price is \$18,000 based upon two appraisals of \$17,000 and \$18,000.

The basic policy of the board is that property shall be purchased at not more than 5% over the average of two appraisals or the high appraisal, whichever is the lower figure. In this instance, the average plus five would be \$18,375, while purchase is on the basis of the high appraisal at \$18,000.

The property is located well within campus boundaries in the general area of the university laundry and physical plant shops. The property is contained on the list of parcels within the land acquisition policy presented to the board in 1974. It will possibly be utilized for storage space initially or if the house were removed, the lot would be converted to vehicle parking since the property is adjacent to a university parking lot.

Funds for the purchase are available from unexpended balances of Income from Treasurer's Temporary Investments, which is the normal method utilized to fund such purchases.

MOTION:

Mr. Neu moved that the board approve the purchase of property located at 410 South Madison Street, Iowa City, Iowa, for a purchase price of \$18,000 from Mary Kane. Dr. Harris seconded the motion and upon a roll call the following voted:

AYE: Bailey, Brownlee, Harris, Jorgensen,
Neu, Shaw, Wenstrand, and Petersen
NAY: None
ABSENT: None

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

President Boyd mentioned that because of the common calendars of the three universities, it is becoming quite difficult to schedule commencement on different days. He said he would no longer be concerned about this because of the cost of keeping people at the university an extra day in order not to interfere with commencement schedules at the other institutions.

Regent Shaw noted that there have been some newspaper articles recently about the rights of theatre students and said he was concerned because the articles indicated that the students will be allowed to vote on academic affairs within their program. He noted that there are 13 faculty members and 7 students in this area and it would be possible, because of differing faculty views, for the students to become a majority. Regent Shaw referred to Section 262.12 of the Code and suggested that the arrangements in the Theatre Department might be in conflict with it.

President Boyd did not feel the arrangements are in violation of the statute. It has been made clear to the department that governing responsibilities are not to be delegated to students. He said that the faculty and administration both have certain responsibilities which can not be delegated.

Vice President Brodbeck said that the theatre students will have no voting rights with respect to curriculum, personnel, or the normal workings of the department. With respect to such matters as to which plays will be given and when they will be given, the students will be allowed an advisory vote. This is a different kind of vote than a faculty vote. Vice President Brodbeck noted that Professor Becker is aware of the responsibilities of the faculty and the limited rights of the students. She said that this procedure is a way for students to communicate their views to the faculty.

Regent Shaw agreed that such consultation is desirable and necessary.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was conducted on Thursday, November 13, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for October 1980 were ratified by the board.

TITLE CHANGE FOR PROGRAM IN PHYSICS AT IOWA STATE UNIVERSITY. It was recommended that the title change for the Program in Physics be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

MOTION: Mr. Bailey moved that the board refer the title change for the Program in Physics at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review. Mr. Wenstrand seconded the motion and it passed unanimously.

NAME CHANGE, DEPARTMENT OF PHYSICAL EDUCATION AT IOWA STATE UNIVERSITY. It was recommended that the board refer the proposed change in name for the Department of Physical Education to the Interinstitutional Committee on Educational Coordination and the Board Office for review.

MOTION: Mrs. Jorgensen moved that the board refer the proposed change in name for the Department of Physical Education at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review. Mr. Wenstrand seconded the motion.

Regent Bailey noted that the proposal is to change the name of the department to the Department of Physical Education and Leisure Studies. He wondered if there might be a better word to use than "leisure." Vice President Christensen indicated that this word is being proposed because it is a term that is being utilized throughout the country.

VOTE ON MOTION: The motion passed unanimously.

RHODES FARM: REPLACEMENT OF LEASE/PURCHASE AGREEMENT BETWEEN IOWA STATE UNIVERSITY AND THE IOWA STATE UNIVERSITY AGRICULTURAL FOUNDATION. It was recommended that the board approve the Rhodes Farm cash rental lease/purchase agreement between Iowa State University Agricultural Foundation and Iowa State University in place of the existing lease signed in December 1977.

The Board Office explained that subsequent to the establishment of a lease agreement between Iowa State University and the Iowa State University Agricultural Foundation established in December 1977, the State Auditor's Office took exception to several elements of the transaction. An exception relating to the lease was reported as follows:

... (ISUAF (Iowa State University Agricultural Foundation) exists as a separate legal entity from Iowa State University, therefore, agreements and contracts between the two entities should be clearly stated from a business viewpoint and in full compliance with the Code of Iowa. We question the validity of the above-mentioned lease agreement since it does not specifically define the obligation of Iowa State University and nebulously refers to title options of Iowa State University which also are not specifically defined...

The university felt the lease was in full compliance with the Code but agreed to review the transaction.

The Board Office noted that a standard farm lease was used in the initial agreement. This lease form was not suited to the particular lease/purchase agreement that the university wished to enter into with the foundation. The proposed replacement of the lease was established in a form more suitable to the particular nature of this transaction. The new lease form fully describes the legal configuration of the land, establishes the beginning of the lease as July 1, 1980, and specifies the ending period as July 1, 2000. The lease would continue thereafter from year to year, unless either party gave prior notice.

The option of Iowa State University to purchase the land is clearly established providing it chooses to exercise the option. The purchase price remains fixed at \$1.1 million. "It is further agreed that all rental payments made by Tenant (Iowa State University) during the term of this lease or prior leases in excess of property taxes, insurance, and interest shall be credited toward such purchase price. Tenant may exercise the option to purchase and take title by paying in full or assuming any outstanding contracts or mortgages of record on date of exercise of the option and any real estate taxes and insurance then due."

Rental payments are clearly defined as \$20 per acre or \$35,000 annually. This compares to the existing lease terms of \$40 per acre or payment of \$71,200 annually. The revised rent per acre is the result of prepayment of a sufficient portion of the purchase price to warrant reduced rent. The payments are sufficient to cover taxes, insurance, and systematic reduction of principal.

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Other provisions of the lease relate to proper use and care of the land, right of entry, violation of lease terms, changes in lease terms, water supply and improvements.

The Board Office said that a review by the state's resident auditor at the institution indicated that the terms of the proposed lease would eliminate the audit exception quoted above. In addition, other audit exceptions relating to financial transactions peripheral to the lease are not expected to be repeated in the FY 1979 state audit. If this should not prove to be the case, those issues will be addressed by the Regents as appropriate.

Iowa State University reported that "this proposed action should not be interpreted as any indication that there are improper or otherwise incorrect provisions in the existing lease/purchase agreement."

The Board Office recommended that the proposed lease form and conditions be approved to replace the existing lease between Iowa State University and the Iowa State University Agricultural Foundation for the property known as the Rhodes Farm.

Regent Bailey said the proposed lease is very favorable.

MOTION:

Mr. Bailey moved that the board approve the Rhodes Farm cash rental lease/purchase agreement between Iowa State University Agricultural Foundation and Iowa State University in place of the existing lease signed in December 1977. Mr. Brownlee seconded the motion. Upon the roll being called, the following voted:

AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand, and Petersen

NAY: None

ABSENT: None

SALE OF POPE COTTAGE. It was recommended that the board approve the sale of Pope Cottage and removal of the building from the site to Thomas Thielen for the bid amount of \$150 with the understanding that the sale document shall clearly state that Mr. Thielen retains no interest in the land where Pope Cottage is currently sited.

The Board Office explained that Pope Cottage, a 3,385 gross square foot house constructed in 1877, is now vacant. The board previously approved demolition of the structure.

Recently, there has been interest in preserving this building for historic preservation reasons. The university concluded that the cost of renovation and modification of Pope Cottage for university use would be prohibitive.

In August the university publicly advertised the sale of Pope Cottage for removal from the site by interested bidders. A single bid was received in the amount of \$150 with the move to be accomplished in June 1981. At the same time, the university publicly advertised for bids for any fixtures or other contents in Pope Cottage and received 18 different bids totaling \$467.82.

The university Physical Plant estimated that state cost to demolish and remove the debris from the site would be \$5,400. It appears to be in the best interest of the state to accept the single bid for removal of the building for \$150, thereby effecting a net savings to the state of \$5,250.

The Board Office noted that the single bidder is a university employee, Thomas Thielen, Vice President of Student Affairs. Section 262.10 of the Code states that no member of the board or any of its committees, offices, or agencies nor any officer of any institution shall be directly or indirectly interested in such purchase or sale. That appears to totally prohibit sale of real estate to an employee.

The issue as to whether this is real property or personal property was discussed with counsel. There are different standards relative to conflict of interest for real and personal property. On personal property, however, the university has complied with the requirements through appropriate public notice and opportunity for bidding by all interested parties. In addition, Vice President Thielen played no role in any of the decisions regarding the disposal of Pope Cottage. Counsel indicated that as long as the sales document clearly states that the purchaser retains no interest in the land, the sale of Pope Cottage becomes a personal, rather than a real property transaction.

Regent Bailey suggested that instead of saying that the purchaser retains no interest in the land in the agreement, that the agreement state that the purchaser acquires no interest in the land.

In answer to a question from Vice President Moore, Mr. Richey said the agreement with the purchaser must contain this condition so that it can be considered personal property. A university employee may not acquire an interest in the land or else this becomes real property.

MOTION:

Mr. Bailey moved that the board approve the sale of Pope Cottage and removal of the building from the site to Thomas Thielen for the bid amount of \$150 with the understanding that the sale document shall clearly state that Mr. Thielen acquires no interest in the land where Pope Cottage is currently sited. Mr. Neu seconded the motion and it passed unanimously.

WOI-AM-FM COMMUNITY ADVISORY BOARD. It was recommended that the board receive the report and resolution on the WOI-AM-FM Community Advisory Board and require that all three universities have their advisory committees provide an annual report to the board regarding "whether or not the station is meeting the specialized educational and cultural needs of the communities served by the station" and describing efforts to assure that the composition of its advisory board reasonably reflects the diverse needs and interests of the communities served."

The Board Office noted that Section 396(k)(9) of the Public Telecommunications Financing Act of 1978 provides that funds may not be distributed to any public broadcasting station unless such station established a community advisory board. All three of the Regent universities have such an advisory committee. There are, however, important differences in the way in which they report to the board.

The Board Office recommended that all three advisory committees report annually to the Board of Regents to ensure compliance with the law and to provide appropriate oversight by the Regents. It noted that the recommendation was not critical of the way in which the matter has been handled in the past.

The Board Office reminded the universities that such advisory committees to the board need to ensure that their meetings are held in strict compliance with Iowa's Open Meetings Law.

In answer to a question from Regent Bailey, Mr. Richey indicated that each committee would make reports regarding its own station through administrative channels. The reports will be scheduled on the list and become a part of the governance process of the board.

MOTION:

Mr. Bailey moved that the board receive the report and resolution on the WOI-AM-FM Community Advisory Board and require that all three universities provide an annual report to the board on their public broadcasting stations advisory committees regarding "whether or not the station is meeting the specialized educational and cultural needs of the communities served by the station" and describing efforts to assure that the composition of its advisory board reasonably reflects the diverse needs and interests of the communities served." Mr. Shaw seconded the motion and it passed unanimously.

The resolution of the WOI-AM-FM Community Advisory Board is on file in the Board Office.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for October 17 through November 13, 1980, had been received, was in order, and was recommended for approval.

There were no construction contract awards or recommendations on this register.

The Board Office noted that the register contained a series of routine contract change orders. It also contained acceptance of completed construction contracts with the general and mechanical contractors for the new Music Building.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for October 17 through November 13, 1980; and authorize the executive secretary to sign all necessary documents.
Mr. Wenstrand seconded the motion and it passed unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, November 13, 1980.

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

ESTABLISHMENT OF FORMAL DEPARTMENTS IN THE SCHOOL OF BUSINESS AT THE UNIVERSITY OF NORTHERN IOWA. It was recommended that the board refer the establishment of formal departments in the School of Business to the Interinstitutional Committee for Educational Coordination and the Board Office for review and recommendation.

President Petersen was concerned about the budgetary problems in establishing formal departments. However, she recognized the need for this change in order for the School of Business to become accredited.

Vice President Martin responded that the change was proposed more for purposes of operational efficiency than for purposes of accreditation. He said accreditation might be possible without the formal departments. However, he said in the present situation there are de facto departments. One problem is an awkwardness in collective bargaining. The dean of the school cannot render all the services that are required of him under the collective bargaining contract under the present arrangements. By having coordinators outside of the bargaining unit, some of the pressure will be taken off the dean.

Vice President Martin said that if this change is not made, some other arrangement will be necessary because of the increased enrollment.

President Kamerick indicated that if the university does not have sufficient funds to conduct searches to fill the positions created, they will be filled internally. He noted that over one-third of the students at the institution are in the School of Business and this puts an enormous load on a few people. Department heads are needed for this reason.

Regent Brownlee asked if the university was planning to conduct a search to fill the positions. President Kamerick responded that this would be preferable but if not possible, there will be an internal search for department heads.

In answer to a comment from President Petersen, Vice President Martin said that there may be acting heads for a period of time.

MOTION:

Mr. Brownlee moved that the board refer the establishment of formal departments in the School of Business at the University of Northern Iowa to the Interinstitutional Committee for Educational Coordination and the Board Office for review and recommendation. Mr. Bailey 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 October 4 through October 31, 1980, had been received was in order, and was recommended for approval.

It was also recommended that the board authorize the university to proceed to advertise for long lead-time items, specifically pumps and electrical equipment on the turbine generator project, for award in late December or early January with the understanding that the estimated cost of these items of between \$80,000 and \$100,000 would be funded from internal resources until such time as the supplemental appropriation request is funded.

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

Regents Residence Complex-Skyway Modifications

Award to: Lindgren Glass Products, Waterloo, Iowa \$57,900.00

A single bid was received. This irregularity was waived since four contractors were invited to bid and inquiry after the bidding indicated bidders' choice was involved in decision not to bid; the single bid was determined to be competitive; and the contract could be awarded within the approved project budget.

The board was asked to take action on the following matter:

Turbine Generator Project

The university requested permission to advertise with the intent to award contracts in late December of January on long lead-time pumps and electrical equipment for the turbine generator project. Estimated cost of these items are between \$80,000 and \$100,000. It was indicated that cash flows within the turbine project are more than adequate to cover this proposed purchase, as well as all existing commitments, well beyond July 1, 1981. However, the university is prepared to fund with internal funds any encumbrances until the supplemental request is granted.

The university noted that the two major contracts yet to be awarded are those for mechanical and electrical installation. Current scheduling on those contracts has advertising occurring in January for mechanical and February for electrical with contract awards in February and March, respectively. Total completion is tentatively scheduled for November 1981.

The Board Office said that the contract completion date, as well as award of these two remaining major contracts, is totally dependent upon executive

and legislative response to the Board of Regents' capital request of \$1,330,000 for turbine generator supplemental funding and electrical system improvements. It is doubtful whether the board would want to advertise these two contracts until either appropriations are in hand or at least strong indications have been received that the appropriations will be forthcoming as of July 1, 1981. On the other hand, if these two contracts are not awarded by the April meeting, as well as long lead-time items involved in the electrical improvements portion of the project, delay in completion of the project until June 1982 is likely. The Board Office said this matter needs to be kept in front of the executive and legislative branches so that a course of action can be worked out within the next 90 to 120 days.

President Petersen asked what would happen if resources are committed to this project and the board does not receive its capital request. Vice President Stansbury said that the university was asking for permission to advertise for bids which would take some time. At that time, the university will be able to evaluate current costs. He said that the pressure on this project will occur in January or February when there will be bigger items on the schedule to be advertised. He said that if capital funds are not received, the \$80,000-\$100,000 items could be handled with internal funds.

Mr. Richey said it is worth the risk to go ahead with this project. If necessary, the university could handle parts of the project for a year or two with internal funds until capital funds become available.

Regent Bailey questioned acquiring items which it would not be possible to use because of a failure to get additional appropriations. He did not object to advertising for bids but suggested delaying committing funds until the economic situation improves. President Petersen pointed out that part of the advantage of this procedure is to allow for sufficient lead time. A delay would cut down the amount of lead time. Vice President Stansbury said that there are already items on the site that will not be used unless the project is continued.

The board was asked to ratify institutional action on architects and engineers contracts:

Education Center - Eastside Water Problems

Ratify selection of Thorson-Brom-Broshar-Snyder, Waterloo, Iowa, to provide professional services to correct water leak problems at the Price Laboratory School and at the Education Center and interior paint problems on exterior walls in the West Gym on an hourly rate basis under the terms of the hourly rate contract approved by the board in June 1980 up to a maximum cost of \$500.

MOTION:

Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for October 4 through October 31, 1980; ratify award of construction contracts made by the executive secretary; authorize the university to proceed to advertise for long lead-time items, specifically pumps and electrical equipment on the turbine generator project, for award in late December or early January with the understanding that the estimated cost of these items of between \$80,000 and \$100,000 would be funded from internal resources until such time as the supplemental appropriation request is funded; ratify award of consultants contract services; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the University of 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, November 13, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of October 1980 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 October 1980 had been received, was in order, and was recommended for approval.

The register contained only a routine contract change order issued to Butler Construction Inc., Omaha, Nebraska, in the amount of \$3,046.19 to revise the sanitary sewer piping on the Vocational Addition project now under construction.

MOTION:

Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for October 1980; ratify the contract change order; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

APPROVEMENT OF EASEMENT FOR HERITAGE AMERICAN CABLEVISION. It was recommended that the proposed agreement for Heritage American Cablevision at the Iowa School for the Deaf be approved, subject to the charging of costs for services to each of the residences on campus to the occupants and the changes proposed herein to the agreement.

The Board Office explained that Iowa School for the Deaf was requesting approval of an agreement with Heritage Cablevision for the installation of cable television facilities on the campus. It was the Board Office's understanding that two agreements were involved in this request. One was for the installation of cable in each of the residences located on the campus. The other was for a "no charge public access channel" for educational purposes of the school. It was also the Board Office's understanding that "charges for personal householders would be on the basis of the level of service elected and the cost would be borne by the respective household." The Board Office believed that the charges should include the cost of installation of the cable in each of the residences on the campus.

The "no charge public access channel" would not include general programs and Home Box Office and would be limited to educational programs developed in conjunction with all the public schools being served and would include the Council Bluffs public schools, Lewis Central Community Schools, Area Education Agency 13, and Iowa School for the Deaf.

The Board Office indicated it was not possible to assess the educational value of the public access channel since there is very little, if any, programming available. It is the institution's hope that in the future, through proper coordination, programs with high educational value will become available.

There will be no charge for the educational portion, other than on-campus distribution. The master agreement between the city of Council Bluffs and American Heritage Cablevision provides that each school would be provided with public access channel at no charge.

The agreement for personal dwelling householder merely provides owner approval to access buildings for the purpose of installing, connecting, or disconnecting services. The agreement for installation of school use services would provide authority to install cable in the school's tunnel system and into the building where the public access channel is connected to the school's closed circuit television system and from which there is distribution on the campus.

The Board Office proposed that the following changes be made in the proposed agreement:

1. On the agreement for the public access channel the item #1 should be reworded from "service to residential units" to "provisions for public access channel."
2. Item #4 should be changed to read "Management agrees to permit cablevision access to cover all routing necessary for the installation of service" for both agreements.

Mr. Richey opened discussion on this topic by suggested that the agreement be approved subject to additional review by the executive secretary and appropriate consultation with the Attorney General's Office to ensure that the agreement is proper. Mr. McMurray noted that there was a question raised about the lease because of the interchangeable use of the words "easement" and "agreement" in the document. If this is an easement, it must be approved by the Executive Council.

MOTION:

Mr. Brownlee moved that the board approve the proposed agreement for Heritage American Cablevision at the Iowa School for the Deaf, subject to the charging of costs for services to each of the residence on campus to the occupants, to the changes mentioned above; and to additional review by the executive secretary and consultation with the Attorney General's Office. Mr. Shaw seconded the motion.

Regent Bailey had questions about provisions in the agreement. These were:

7. If a master antenna system located on the premises interferes with Cablevision service, Owner will remove or repair the MATV at Owner's expense to eliminate such interference.
8. This agreement is in effect for the normal duration of Cablevision's franchise with the City of Council Bluffs, and will be made a condition of any sale or transfer of the Premises.

Regent Bailey said it was his understanding that only educational programs would be received on cable television and that if the master antenna is removed, there would be no other TV reception. Mr. Kuehnhold said that the Cablevision company said that closed circuit TV system would not be affected.

In regard to provision 8, Regent Bailey suggested that there should be a termination clause in the agreement. By stating that the agreement is in effect for the duration of the Cablevision franchise, the board would lose control.

Mr. Richey said these matters would be taken under consideration.

VOTE ON MOTION: The motion passed unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Thursday, November 13, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of October 1980 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 October 1980 had been received, was in order, and was recommended for approval.

The register contained two items.

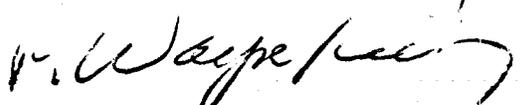
The board was requested to ratify selection of Shive-Hattery & Associates, Cedar Rapids, Iowa, to provide schematic plans and cost estimates on a project to repair the eaves on the Main Building. Compensation is on an hourly rate basis to a maximum of \$1,650. At a later date, the board will be requested to approve a project budget. It is probable that the project will be funded from current year's Building Repair funds.

The register contained a contract change order with B. A. Westbrook Construction Co. on the enclosed walkway project between Rice Hall and the Gymnasium. The change order was in the amount of \$4,842.95.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for October 1980; ratify award of consultants contract services; ratify the change order; and authorize the executive secretary to sign all necessary documents. Mr. Shaw seconded the motion and it passed unanimously.

AJOURNMENT. The meeting of the State Board of Regents adjourned at 3:05 p.m. on Thursday, November 13, 1980.



R. Wayne Richey
Executive Secretary