

The State Board of Regents met at the University of Northern Iowa, Cedar Falls, Iowa, on Wednesday, November 18, 1981. Those present were:

	<u>November 18, 1981</u>
<b>Members of State Board of Regents:</b>	
Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	All Sessions
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions
Mr. Nolting	All Sessions
Mr. Wenstrand	All Sessions
<b>Office of State Board of Regents:</b>	
Executive Secretary Richey	All Sessions
Director McMurray	All Sessions
Ms. Baker, Secretary	All Sessions
<b>State University of Iowa:</b>	
Acting President Priestersbach	Exc. 4:25 p.m.
Vice President Bezanson	Exc. 4:25 p.m.
Acting Vice President Moll	Exc. 4:25 p.m.
Assistant Vice President Small	Exc. 4:25 p.m.
Assistant to President Mears	Exc. 4:25 p.m.
Director Hawkins	Exc. 4:25 p.m.
Director Jensen	Exc. 4:25 p.m.
<b>Iowa State University:</b>	
President Parks	Excused
Vice President Christensen	Exc. 2:35 p.m.
Vice President Hamilton	Exc. 2:35 p.m.
Vice President Moore	Exc. 2:35 p.m.
Assistant Vice President Madden	Exc. 2:35 p.m.
Assistant to President Crawford	Exc. 2:35 p.m.
<b>University of Northern Iowa:</b>	
President Kamerick	All Sessions
Provost Martin	All Sessions
Vice President Stansbury	All Sessions
Vice President Voldseth	All Sessions
Director Kelly	All Sessions
<b>Iowa School for the Deaf:</b>	
Superintendent Giangreco	Exc. 1:35
Business Manager Juehnhold	Exc. 1:35
<b>Iowa Braille and Sight Saving School:</b>	
Superintendent DeMott	Exc. 1:30
Business Manger Berry	Exc. 1:30

## GENERAL

The following business pertaining to general or miscellaneous items was transacted on Wednesday, November 18, 1981.

APPROVAL OF MINUTES. President Brownlee noted that some technical corrections had been submitted by the University of Iowa for the minutes of the October 21, 1981, board meeting and that these would be made.

President Brownlee said that the minutes with the inclusion of the corrections were approved by general consent of the board.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Change in Procedural Guide on Termination of Programs. It was recommended that the Regents' policy on suspension and termination of academic programs contained in Section 6.16 of the Regents Procedural Guide be revised as follows:

In June 1981, the Board Office recommended that the term "limit" be added to the Regents' policy on suspension of entry and termination of academic programs. The Interinstitutional Committee on Educational Coordination reviewed the proposal and requested a definition be provided for the term "limit" in order to fully specify its intent in relation to this policy. The policy reads as follows (additions are underlined):

When an institution expresses a desire to terminate an academic program, it will present its plan to the Board of Regents. If an institution wishes to limit\*, suspend, or substantially reduce admission to a program, it should provide that information to the Board with its intentions with respect to the program. If it has been decided to terminate the program, the institution will then request approval of its intention to terminate after the last student has completed the requirements of the program. If admissions are to be reopened, no action by the Board would be required.

\*The term "limit" in this policy refers to the formal restriction of admission to a college of a Regent university by establishing a numerical enrollment maximum. It does not include limits placed on admissions to graduate programs, the routine reduction in the number of classes or sections offered due to staffing problems, other changes in curriculum, prerequisite changes, or changes in grade point requirements for retention or graduation.

The Board Office recommended the above definition of the word "limit." Exclusions indicated in the proposed definition are in accord with long-standing practices of limiting admissions to various graduate programs.

Vice President Moll said this was a reasonable way to approach the matter of reporting to the board on limiting enrollments.

President Brownlee noted that the implications of the policy would assure the board it will be able to exercise its discretion and judgment on such matters.

MOTION:

Mr. Wenstrand moved that the board approve the revision of the Regents' policy on suspension and termination of academic programs contained in Section 6.16 of the Regents Procedural Guide as described above. Mr. Neu seconded the motion and it passed unanimously.

ACCREDITATION OF FORESTRY PROGRAM - IOWA STATE UNIVERSITY. It was recommended that the board receive the report on accreditation of the undergraduate major in Forestry with options in Forest Resources Management, Forest Products, and Forest Recreation.

In October, the university was informed that the Council of the Society of American Foresters voted to continue accreditation of the professional forestry accreditation programs at Iowa State University for a period of ten years, to extend through 1991. In making this accreditation action, the Council requested that the university submit an informational report on the Department of Forestry in 1984 which assesses the impact of the conversion from the quarter system to the semester system relative to the Society of American Forester's standards for accreditation. The Board Office said particular emphasis should be given to curricular impact.

The Board Office provided a summary report on the findings of the accreditation site visit team.

The Board Office said the university should be congratulated on receiving accreditation of this program. A full copy of the self-study report, the site visitors' report, and related correspondence is on file in the Board Office for review.

Vice President Christensen said the university was very pleased that the Council's report was favorable to the Forestry Program and that the Council considers it to be a high quality program.

The report on the accreditation of the undergraduate major in Forestry with options in Forest Resources Management, Forest Products, and Forest Recreation was received by general consent of the board.

ANNUAL ENROLLMENT REPORT, PART II. It was recommended that the board receive the Fall 1981 Enrollment Report, Part II, and approve the enrollment projections for all five Regent institutions as provided below.

The Fall 1982 Enrollment Report, Part II, contained: (1) enrollment for all postsecondary education in Iowa; (2) university enrollment by college

and by program; (3) enrollment projections for the universities and the specialized schools; (4) enrollment of freshmen who are in the lower half of their graduating class; (5) a report on enrollment by race and sex; (6) a report on foreign student enrollments; and (7) enrollment by physical handicap category.

The Board Office presented an extensive summary of the report.

The Board Office noted that in compiling the data for this report, numerous questions were raised regarding various trends. The Board Office may prepare special reports on some areas and report these to the board in the next few months.

Mr. Richey began the discussion on the Annual Enrollment Report. He noted that the number of new freshman students increased by 1.3 percent on a statewide basis. The biggest increase was at the area schools. The freshman students increased by 1.4% at the Regent institutions and declined by 1.8 percent at the independent institutions. He said this may or may not be significant.

Mr. Richey said the Regent share of enrollment growth was staying fairly constant. He called the board's attention to graphs depicting what has happened in terms of enrollment by programs in the Regent institutions.

He noted that the University of Northern Iowa is getting a much higher percentage of students from the lower half of the high school graduating class. He said that the percentage of these students ten years ago was 10 percent or less. He said one reason for the larger number of students in this category could be the increased availability of federal student aid during this time. Also, the universities may be more willing to admit students from the lower half of the graduating class now that there are no enrollment pressures. He suggested that the University of Northern Iowa was admitting a higher percentage of students from the lower half of the high school graduating class because the area school does not offer a college transfer program. He noted that students in the University of Iowa region may attend the area school instead of the university.

President Brownlee said that board members want to be sure that the three universities have accessible programs to make it possible for students in the lower half of the graduating high school class to attend a Regent university if they are at all able to cope with it.

President Spriestersbach said that the number of students admitted from the lower half is a very modest number compared to the total number of students admitted. He said if this number was lower, it would be evidence that the university is not responsive to the special considerations of students in that category. He noted that at the University of Iowa these students are admitted on a case-by-case basis. There is good evidence to suggest that the motivation and capacity of the student makes the admission reasonable. President Spriestersbach said this is a humane policy rather than an arbitrary and capricious one.

Vice President Moll explained that the requirements for admission to the University of Iowa state that the student must be in the upper half of the graduating class or have a score of 21 or greater on the American College Test (ACT). The ACT score is taken into consideration as an alternative.

He noted that the university rejected about 34 percent of the students applying from the lower half of their class. In 1964 the university rejected about 16 percent. However, a higher percentage of those admitted actually enrolled. He said the standards have not shifted in any significant way in this area.

Regent Anderson asked if the standard for admitting students from the lower half of the graduating class were firm enough so that the university would not be tempted to admit less qualified students when enrollments start to drop. Vice President Moll said that the criteria used in admitting these students include whether they have had a college preparatory curriculum, performance in summer school, and educational opportunities. Some of the criteria are subjective but decisions are made on careful consideration of an individual case.

President Spriestersbach said that the record is very good for students who are admitted from the lower half of their graduating class. Vice President Moll said a study was done on students admitted from the lower half of their class and who did not have an ACT score of 21. The persistence of these students was the same as for all freshman students indicating that the admission judgments being made are reasonably good.

Regent Jorgensen recognized the need to admit students from the lower half of their class. However, she was concerned about the percentage of students in this category who are nonresidents. She questioned whether institutions run with state tax money have a responsibility to educate nonresident freshmen who are in the lower half of their graduating class.

President Spriestersbach said the university does not view this as a burden but as an opportunity to bring in students that have special qualities to add to the milieu of programs. He said this was similar to having foreign students at the university.

Regent Jorgensen said she was not concerned about regular out-of-state students or foreign students. She suggested that nonresident students in the lower half of their class should be educated at a different place. She noted that it is more expensive to educate such a student during the first year while trying to bring them up to par. Perhaps it would be better for them to attend the Regent institutions at a later time in their career.

Vice President Christensen pointed out that in large urban areas there is a mix of students and large graduating classes. Students in the lower half of those classes might not be at that level in a smaller school. It is necessary to look at the mix in the upper and lower halves of the classes.

President Spriestersbach indicated that not all of the 78 applicants from the lower half of the graduating class who were admitted actually enrolled. They represented a population of about 50 out of more than 3,000 students admitted. Regent Jørgensen said her concern was that as enrollments decline and the universities look for ways to increase enrollments, this is one way that should not be considered. She believed these students could be served better in other places.

Regent Wenstrand asked if the admission policies of the area schools make a distinction between the lower and upper half of the graduating class. Mr. Richey said they do not. The area schools admit anyone graduated from high school and sometimes admit non-high school graduates. He noted that the private colleges in Iowa admit large numbers of students from the lower half of the graduating class.

Regent Wenstrand said the Regent institutions have an obligation to serve as many students as they think are capable from the lower half of the graduating class.

Vice President Christensen commented upon the enrollment of foreign students. He said there are cultural advantages to American students in having people from other countries in their classes. He said the best laboratory is to mix with people from these countries and get firsthand information.

This is also a way to enhance good international relations. He noted that some leaders in other countries are graduates of American institutions. These leaders work with the federal government enhancing foreign relationships.

Vice President Christensen said that a question frequently asked is whether having foreign students in the universities takes opportunities away from Iowans. He said by having alumni in prestigious positions in other countries, international trade is enhanced. Vice President Christensen said that Iowans welcome tourists to the state because they buy Iowa products. Foreign students coming to Iowa for four years spend millions of dollars on clothes, automobiles, etc. and enhance the economic prosperity of the state.

Finally, said Vice President Christensen, in some fields the university would be at a loss without foreign graduate students. In areas such as engineering or computer science the American graduates are entering business or industry at high salaries. The university gets teaching assistants from the foreign graduate students. Vice President Christensen said it is important to recognize that foreign students are a definite asset to the universities.

Regent Anderson noted that there has been some concern about the language skills of some foreign teaching assistants. She asked how this problem is monitored. Vice President Christensen noted that about four or five years ago Iowa State University was receiving a large number of complaints about whether teaching assistants could speak English well enough to be understood by students. The department heads were made to understand that they should not hire any teaching assistant who cannot communicate effectively in the classroom.

There is now only an occasional complaint. When a complaint is received, the administration goes to the specific department to find out the problem.

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If it is determined that the teaching assistant cannot communicate in a large group situation effectively, that person is put into a research assistant position until he or she has taken English as a foreign language and improved enough to be able to teach. Vice President Christensen said the university is constantly monitoring this. He said the university encourages undergraduate students to let us know if there is a problem so something can be done about it.

In regard to students with various handicaps, Regent Wenstrand wondered if the significant increase in the number of those students was a direct result of physical changes made on buildings as well as a wider acceptance of these students seeking higher education. President Kamerick said this was an almost direct result of the changes in the physical plant that have been made. He noted there has also been wider acceptance of higher education for this group of people. He noted that some of these students have concerns other than the physical plant. Regent Wenstrand said he was pleased with this.

Regent Wenstrand noted that enrollment decreases are projected for the future. He said this may cause some problems in obtaining resources desperately needed by the institutions. He hoped that the institutions would use the drop in enrollment to change some emphases and to put more effort into research, service, and doing a better job of instruction. He said he was not necessarily apprehensive about the drop in enrollment because it can be an opportunity to better serve the state.

Vice President Christensen agreed. He pointed out that the universities have not been fully funded by the Legislature for the students that they now have. He noted that the faculty must sacrifice in order to accommodate the students. If enrollments go down, the research aspect of the faculty can be emphasized more strongly.

Regent Anderson did not think that the Legislature clearly understands that the Regents have not been adequately funded for the additional enrollment. She said it was important to keep reiterating this. Mr. Richey said that two years ago the board began a deliberate program to educate the Joint Committee on Education. The committee did a study that indicated 8,000 students were unfunded. The committee was again reminded of this study last year. Mr. Richey said that the committee members are aware of this but those legislators not on the committee don't always get this information.

Regent Jorgensen asked why enrollments in Pharmacy are declining. President Spriesterbach said this is a national trend and that the reasons for it are unknown. Vice President Moll said that the drop this year represented a drop in continuing students rather than in new students admitted. He noted that the College of Pharmacy has been asked to investigate why people drop out but that information is not available yet. Regent Jorgensen said she would be interested in receiving this information.

She then asked about the decline in Mechanic and Hydraulic Engineering. President Spriestersbach indicated that the reason for this was a rearrangement of the College of Engineering into divisions rather than departments. He said there were no dramatic decreases in enrollment

programmatically. He said he needed to verify this. Vice President Moll suggested that people are tending to go into more specialized areas, such as biomedical engineering, which are not shown in the figures. President Brownlee asked the university to prepare a report in response to Regent Jorgensen's question.

Regent Murphy noted that she had attended a seminar on enrollment projections at the American Governing Board Conference. One of the speakers suggested it would be foolish not to accept the predictions of reductions in enrollment. An emphasis on life-long learning was suggested because there will be fewer 18-year olds. Colleges will be competing with the labor market which is going to get better because there are fewer young people. And cost does not influence whether a student goes to school, but where he or she goes to school. This is the bump down theory - instead of attending a private school a student will attend a public institution, or instead of a public institution the student will attend a junior college, and from there a student will attend an area school. The students will still attend school.

The board received the Fall 1981 Enrollment Report, Part II, and approved the enrollment projections for all five Regent institutions as provided above by general consent.

President Brownlee said the Fall 1981 Enrollment Report, Part II was a good one.

ANNUAL STUDENT AID REPORT, 1980-81. It was recommended that the board receive the Annual Report on Student Aid, 1980-81.

The Board Office explained that this report represents the annual report of the student aid directors regarding financial assistance to students during the 1980-81 academic year. The student aid directors divided the various types of student aid into five categories: (1) institutionally controlled student aid; (2) federal student aid controlled by the institution; (3) student aid not controlled by the institution; (4) other sources of student aid; and (5) federally insured student loan programs. A supplemental table to the student aid report included information on student hourly employment, another source of financial assistance to students.

This year's report showed some important changes in student financial aid. Normally, student aid is provided to students in a "package" form which, on the average, is divided into grants, loans, and work. This approach may be considered as a "healthy balance," which represents a reasonable balance between society and the student. This year the student aid reports from the institutions seemed to show continued increase in the portion of student assistance being provided in the form of student loans. This is probably both a reflection of the times in which increased costs and the effects of a recession have altered students' financial condition to the point where loans are increasingly necessary and a result of increased federally subsidized student loans. These loans have enabled students to continue in higher education programs despite inflation. The other

change in student assistance is the dramatic growth of the Basic Economic Opportunity Grant (BEOG) and the Guaranteed Student Loan (GSL) programs under the Middle Income Assistance Act. It is likely that educational loans as a source of financial assistance to students will increase, while work opportunities, grants, and scholarships will remain constant or even decrease, according to the student aid directors.

It was reported that institutionally controlled student aid increased at all three universities. Institutionally controlled federal aid decreased at the University of Iowa and Iowa State University and increased slightly at the University of Northern Iowa. Student assistance programs not controlled by the universities increased at the University of Iowa but decreased at Iowa State University and the University of Northern Iowa. Other sources of institutional aid have increased at all three universities, as did the federally insured student loan program.

Institutionally controlled student aid funds are divided into scholarships and long-term loans. These scholarships and need-based loans showed a decline in average award at the University of Iowa and an increase in average award at both Iowa State University and the University of Northern Iowa. The average long-term loan increased at all three universities. At the University of Iowa, the long-term loan program was discontinued because of the growth in the Guaranteed Loan Program, so the need for this type of loan declined. The university has some of these funds in reserve for those applicants who have no other source. This accounts at least in part for the rather large average loan at the University of Iowa.

The number of students receiving institutionally controlled student aid funds increased in scholarships at the University of Iowa and the University of Northern Iowa while decreasing at Iowa State University. The number of long-term loans in this category decreased at both the University of Iowa and Iowa State, with a slight increase at the University of Northern Iowa.

In the area of institutionally controlled federal student aid funds, reductions are beginning in the federal campus-based programs as national appropriations get spread over more institutions and more students with higher needs. The College Work Study Program declined at the University of Iowa but increased at both the University of Northern Iowa and Iowa State University. The National Direct Student Loan Program decreased at the University of Iowa and Iowa State University and increased slightly at the University of Northern Iowa. The Supplemental Education Opportunity Grant Program increased at the University of Iowa and the University of Northern Iowa but decreased at Iowa State University.

Numbers of students receiving institutionally controlled federal funds also reflect the reductions in federal campus-based programs. Students receiving this category of aid decreased in all three programs at Iowa State University and increased at the University of Northern Iowa, while the University of Iowa showed an increase in the BEOG, a decrease in National Direct Student Loan (NDSL), and an increase in College Work Study Program.

With regard to noninstitutionally controlled student aid funds, the growth in the BEOG Program leveled off in 1980-81. Iowa State University estimates that the average award will be reduced close to \$300 for 1981-82 (current average award is \$877) and that further reductions already legislated will be in effect for 1982-83. The Social Security Program figures were not available, but this program has been drastically reduced by new federal legislation. Starting in August 1982, it will be reduced 25 percent a year until it is completely eliminated. Vocational Rehabilitation personnel have advised the universities to expect reductions in their programs during the 1981-82 school year. Veterans benefits will continue to diminish as fewer eligible veterans exist.

Other types of financial assistance increased in total at all three universities. This is the second year in a row that this category increased. For the most part it is the result of careful efforts at identifying funds from all possible sources. This year's stipends received by students participating in the three ROTC programs at Iowa State University were included in the figures. This represents a new source of funds never before reported of \$240,000. The year 1979-80 was unusually low for the Health Professions Loan Program, while the 1980-81 amount is closer to the normal activity, thus explaining the increase in that area.

The coming reduction in the Guaranteed Student Loan Program in 1981-83 will be a serious test to the price elasticity of tuition and fees. According to one student aid director, there appears to be little doubt that those who favor the existence of these loans for middle income families lost the battle concerning whether or not these loans were being made to people who did not need them and whether or not they were being used for other than educational programs. The student aid directors at the Regent institutions estimated that nearly all of these loans are made to families with legitimate need who use them for educational expenses.

The so-called "no need" scholarships increased in dollar amounts at all three universities and increased in the number of students participating in these programs at both the University of Iowa and the University of Northern Iowa, while showing a slight decline at Iowa State University. Although selection for these programs is not based on need, many of the recipients do have demonstrated financial need.

The Board Office noted that an important program which is related to higher student retention rates as well as financial assistance is hourly employment. This is in danger of being reduced as general financial conditions of the universities deteriorate. Unfortunately, student employment is often a victim of departmental attempts to reduce budgets.

Mr. Richey noted that a large change was the heavy growth in the BEOG and GSL Programs. Most of this was attributable to the Middle Income Assistance Act. He said the institutionally controlled funds are university general funds. He pointed out that there was no tuition increase in the years covered in the report.

He said there is a lot of concern about what will happen to the availability of loans and grants. They will go down quite a bit but it is not known for sure how much. As the availability of the loans and grants is based on need, it will be more difficult for people with moderate incomes to attend school.

Regent Anderson noted that the loan programs as they are administered now have been in effect for only two years. She thought the proposal to base the programs on need would be a return to the programs as they were in the 1979-80 year. At that time they were based on need. Mr. Richey thought this was true for higher income groups. He noted that there has been an inflationary effect in the past two years. President Kamerick said the programs have been in effect for three years and that the first year was a limited program.

Regent Anderson said there was a substantial difference between the use of undergraduate employees at the University of Iowa and Iowa State University. She said the student populations were similar and wondered about the reason for the difference.

Vice President Bezanson said the University of Iowa has deliberately tried to provide students with employment. Assistant Vice President Small said the University of Iowa is a larger employer than Iowa State University. The presence of University Hospitals at the University of Iowa creates a different employment opportunity than at other schools.

In response to a comment from Mr. Richey, Vice President Madden said that student employees are paid out of current expense funds of departments. The departments would like to hire more help but do not have the resources to do so.

Mr. Richey indicated that the Board Office would prepare a report on the question of timing of middle income student loans for the board's information.

President Spriestersbach said the Annual Student Aid Report demonstrated the diversity of programs of student financial aid. There is a range of needs and circumstances and it has been helpful to have funds from diverse sources to meet those needs.

The Annual Student Aid Report was received by general consent of the board.

REPORT ON MEETING OF IOWA COLLEGE AID COMMISSION. It was recommended that the board receive the report.

The Board Office reported that the Iowa College Aid Commission met on November 10 for the primary purpose of considering changes in its rules regarding the Iowa Guaranteed Student Loan Program and the Parental Loan Program. The proposed changes in the administrative rules regarding the Iowa student loan programs were required because of changes in federal laws and regulations. Most of those issues were discussed by the Board of Regents during the past year.

The report on the meeting of the Iowa College Aid Commission was received by general consent of the board.

ANNUAL REPORT ON REGENT PURCHASING OPERATIONS: FY 1980-81. It was recommended that the board receive the Annual Report on Regent Purchasing Operations.

The Board Office indicated that, as previously reported, a general purchasing survey covering policy, procedure, and operations has been undertaken. Board Office staff visited each campus and conducted a broad survey of procurement policy and procedure. Each institution prepared narrative statements covering basic area of procurement activity, organizational and administrative arrangements, and flow charts on selected paper processing requirements. The survey was conducted within the context of Board of Regent procurement policy. A report will be prepared for docketing in December or possibly in January.

The Regent Ad Hoc Purchasing Officers Group met in May 1981 and November 1981.

The Interagency Ad Hoc Purchasing Group met in May, July, and September 1981. The objective was to prepare two statements for the Statewide Vehicle Management Task Force. In these meetings the following were accomplished

Developed a draft interagency cooperative purchasing and disposal of common use vehicle agreement anticipating transmittal to the State Vehicle Maintenance Task Force. Participating agencies would be the Board of Regents, the Department of Transportation and Department of General Services.

Developed a draft statement on procurement of vehicle supplies for a proposed Statewide Vehicle Maintenance Network.

Some difficulty was encountered in developing the former draft relating to the designation of "lead agency" for procurement or disposal of common use state vehicles. The draft agreement indicates the lead agency will be designated by the heads of the participating agencies and the State Comptroller.

The Board Office reported on purchasing activity including such areas as price and competition, cooperative purchasing, vendor problems, cost saving procedures, administrative procedure changes, professional development, and selected procurement statistics.

Mr. Richey noted that there is an increased emphasis on working with other state groups and agencies and interinstitutionally on purchasing policies. This kind of cooperation will eliminate the need to have a central purchasing policy for the state while achieving the same results through cooperation and voluntary efforts. At the same time it will maintain all the advantages of the professional purchasing systems on each campus.

The Annual Report on Regent  
Purchasing Operations was received  
by general consent of the board.

REVISED POLICY ON CONFLICTS OF INTEREST OF PUBLIC OFFICERS AND EMPLOYEES.  
It was recommended that the board delete subsection A through D, Board of Regents Procedural Guide, Section 10.11, "Conflict of Interest of Public Officers and Employees (Code 68.B)" and insert the following:

Conflicts of Interest of Public Officers and Employees

- A. Board of Regent employees, officers or their family members shall not sell any goods having a value in excess of \$500 for each transaction or a cumulative value annually in excess of \$1,000 to any Regent institution unless pursuant to an award or contract let after public notice and competitive bidding except under emergency or sole source conditions documented and administered by Regent institutions.
- B. Board of Regent employees, officers or their family members shall not sell any services to Regent institutions having a value in excess of \$500 for each transaction or a cumulative value in excess of \$1,000 annually unless pursuant to an award or contract let after public notice and competitive bidding except under emergency, negotiated or other noncompetitive conditions documented and administered by Regent institutions.
- C. A Regent employee is one whose principal employment is with a Regent institution,
- D. Sole source conditions for a product must be clearly established and documented if public notice and competitive bidding are to be foregone. In addition, Board of Regent institutions shall report annually all sole source purchases in excess of \$1,000 from Regent employees, officers or their families in a form to be established by the executive secretary.

- E. Board of Regent employees and officers who have, or reasonably anticipate having, an ownership interest in, a significant executive position in or another remunerative relationship with a prospective supplier of goods or services to a Regent institution, or who know that a member of their family or other person with whom they have a personal or financial relationship has such an interest, shall not participate in the preparing of specifications, qualifying vendors, or selecting successful bidders on products or services in which they have an interest.
- F. Board of Regent institutions shall take appropriate steps to notify employees, vendors and suppliers of Regent policy on conflict of interest.
- G. This policy shall be incorporated in the operations manuals of Regent institutions along with any other provisions relating to the subject of an explanatory or more specific or restrictive character.
- H. Employees, officers and members of the Board of Regents also shall comply with the Code of Iowa, Chapter 68.B, "Conflicts of Interest of Public Officers and Employees."

The Board Office noted that in April 1981 it recommended a revised Board of Regent policy with additional criteria designed to avoid conflicts of interest in the procurement process. The board referred the proposed revision back to the Board Office and business officers of the universities for further review and asked that the policy be resubmitted to the board after the 1981 Legislative Session had adjourned.

Since April 1981, institutional business officers and board staff have worked to develop a policy statement that better defines Regent intent as well as employee and institutional responsibilities. The Board Office felt the proposed policy did this.

Regent institutions expressed some concern with the dollar value at which cumulative purchases from Regent employees or family members would require public notice and competitive bidding except under specified conditions. The cumulative value of purchases from Regent employees or their family members has been set at \$1,000 to ensure that a material level of purchases from these sources is exposed to competition.

Another concern was the annual reporting requirement on sole source purchases from Regent employees where the volume of purchases is in excess of \$1,000. It was indicated that the proposed policy already requires documentation of such conditions. It was believed that Regent responsibility for the purchasing function includes a review of those transactions which may give the appearance of a conflict of interest where none may exist.

A third concern addressed the need to give public notice and bid competitively proposed purchases with small dollar values once the cumulative value of purchases from Regent employees or family members exceeds \$1,000. The Board Office believed there are administrative procedures available such as standing orders that would assure competitive conditions proposed by Regent policy can be met at reasonable cost.

Despite these expressed reservations, the business officers indicated that the proposed policies were acceptable.

The Board Office recommended that the board approve the proposed policy.

Regent Neu began the discussion on the conflict of interest policy by asking if it covered the situation where a professor who has written a textbook designates it as the textbook for his or her class. Vice President Moll indicated that the University of Iowa has a policy that when a faculty member requires a textbook in which he or she has a royalty interest for a class, the faculty member cannot accept the royalties from that class. The university prefers that the royalties be donated to the Foundation or some other area. Vice President Bezanson did not think that this issue would be affected by the policy because it does not involve a purchase by the university but a purchase by a student. This would be a different kind of conflict.

Regent Neu asked if the policy would apply to a professor who developed an item of equipment that the university might want to purchase. Vice President Bezanson said this policy would be in effect. It provides for controlled circumstances and does not foreclose the acquisition of any such equipment that would be necessary for the university. The faculty member who developed the equipment would not be able to play any role in the decision to purchase it or in the preparation of specifications for the acquisition of equipment.

Regent Neu appreciated the sensitivity of this area. However, he said it seemed that, on one hand, the faculty is being told to do research and be original and, on the other hand, it is being told the university will not let the faculty make any money from it at the university. Regent Neu said there was nothing wrong with a faculty member designating his or her own textbook for a course. If they didn't think their text was the best, they would be foolish to write it.

Vice President Bezanson said the proposed policy had been developed in close consultation with the faculty.

Vice President Christensen explained the textbook selection process at Iowa State University. A faculty committee sets textbook policy. Departments

decide on the appropriate text for a course. If a professor has written a book applicable to the course he or she is teaching, the committee reviews all the texts and decides which one to use. The individual does not make the decision. The person does receive the royalty if his or her textbook is chosen.

Vice President Madden agreed that the proposed policy would not apply to the selection of textbooks. He said that both the university bookstore and private bookstores purchase books based upon the departments' selections. He said that once a text is selected, it can be purchased only from one particular publisher. The bookstore is not involved in the selection of the texts to be used and is not involved in any royalty arrangements. The university bookstore would be subject to the proposed policy the same as any other department of the university.

President Brownlee asked if books that are purchased from the publisher rather than the author would come under the sole source provision of the policy. Vice President Madden said the publisher may be the only source for a text. Books can also be purchased through a clearinghouse.

The university bookstore conducts business in the normal course of purchasing including taking bids. Vice President Moore said the bookstore's function is to purchase and resell goods while the university purchasing function is to purchase and consume goods and services. University bookstore purchases would not be based upon the same considerations as purchases for other departments.

Mr. Richey said Section E of the proposed policy would apply to the selection of textbooks in terms of Vice President Christensen's comments. Section E would preclude the faculty member from involvement in the preparation of specifications.

President Kamerick indicated that University of Northern Iowa faculty members select the textbooks they desire. If faculty members designate their own books, they may keep the royalties.

Regent Neu stated that the proposed conflict of interest policy apparently would not apply to a purchase by the university bookstore where the faculty member has designated the textbook. If a purchase is made through the university bookstore, which is an entity of the university, Section E of the policy would apply. Regent Neu thought this was somewhat strange. President Brownlee noted that the only university where this situation exists is Iowa State University and that a committee selects the textbooks. Regent Neu said this should be monitored carefully.

Vice President Madden said that the textbook policy at Iowa State University precludes a professor from being involved in the selection of his or her own text for a course. He noted that the university has no way to know the royalty arrangements between a publisher and an author.

Regent Wenstrand asked about the major differences between this proposal and the earlier proposal on purchasing conflict of interest. Mr. Richey replied that the previous proposal was more prescriptive and more difficult to comply with. He felt the currently proposed policy met all of the tests in which the board was interested.

Regent Jorgensen said this policy was a great improvement over the earlier one. In regard to Section F she said she felt that as long as people know there is a possibility of a conflict, it is their responsibility rather than the institution's to monitor them. She asked what steps were taken to notify people of this possibility. Vice President Bezanson responded that the prior policy was part of the employee handbook. Other ways the university uses for notification are through the FYI at the University of Iowa, internal communications, and a statement explaining the applicable policy relating to acquisitions from university employees on bidding documents that are sent out. He said these efforts have been in place and will continue to be used. They have been working quite effectively.

MOTION:

Mr. McDonald moved that the board approve the deletion of subsection A through D, Board of Regents Pro-cedural Guide, Section 10.11, "Conflict of Interest of Public Officers and Employees (Code 68.B)" and insert the new subsection A through H as shown above. Mr. Nolting seconded the motion and it passed unanimously.

REAPPROPRIATION OF FEDERAL BLOCK GRANTS. It was recommended that the board approve a request for appropriation of federal block grants received by the State of Iowa for 1981-83 for (1) the University of Iowa - University Hospitals in the amount of \$2,025,000 from block grant funds and (2) the University of Northern Iowa in the amount of \$269,935 from block grant funds.

The Board Office explained that the federal government has adopted a policy of funding programs as block grants which were previously funded as numerous categorical grants for narrowly defined programs.

The Administration's philosophy concerning implementation of block grants contains three considerations. First, it is intended to write the

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minimum regulations required and only in response to congressional mandate for regulations or where the statute is so vague that regulations are absolutely necessary. Second, it is planned to exercise neutrality between state agencies, governor's offices, and legislatures in order to leave implementation as much as possible to the public processes in each state. Third, it is intended to emphasize accountability at all levels, but to rely on state level audits.

During the 1981 legislative session the General Assembly passed and the Governor approved Senate File 563, an act providing for the appropriation of federal funds received in the form of block grants or categorical grants by the General Assembly.

Regarding block grants, the act provides in part as follows:

Commencing with the fiscal year beginning with July 1, 1981, federal funds received in the form of block grants shall be deposited in a special fund in the State Treasury and are subject to appropriation by the General Assembly upon recommendation by the Governor. In determining a general fund balance, the federal funds deposited in the special fund shall not be included, but shall remain segregated in the special fund until appropriated by the General Assembly.

The act contains an exception to the above provision for 1981-82 which states in part:

The Governor shall whenever possible, allocate from the block grant to each program in the same proportion as the amount of federal funds received by the program during the 1981 federal fiscal year as modified by the 1981 session of the 69th General Assembly for the fiscal year beginning July 1, 1981 compared to the total federal funds received in the 1981 federal fiscal year by all programs consolidated into the block grant.

The act also provides for the State Comptroller to prepare and submit to the legislative fiscal committee a list of federal funds anticipated to be received and expended by state agencies during the 1981-82 and the 1982-83 fiscal years.

On September 30 the Congress passed a continuing resolution to provide interim funds for many federal programs to keep those programs operating during the beginning of federal fiscal year 1982 which began October 1, 1981. The continuing resolution will expire on November 20, 1981, or earlier if an appropriation bill is signed into law before that time. If Congress fails to pass an appropriation bill by November 20, it is expected that Congress will enact another continuing resolution at either the same or lower figure.

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In view of the lack of the federal appropriation and the dramatic change in the funding method there are numerous unknown quantities including funding level, responsibility, procedure and so on. A procedure for requesting appropriations of block grant funds for 1982-83 has not been provided as yet.

The Board Office and the institutions have provided various reports to the State Comptroller, the Governor's task force, and the Legislative Council Block Grant Subcommittee. An additional request for a report on all federal funds received by the State of Iowa regardless of source or form was received November 10 for completion by November 17.

The funding level for 1981-82 and 1982-83 is to be projected at the current continuing resolution level less six percent.

Regent programs which are funded in part with block grant funds will be budgeted and accounted for by the institutions separately from general fund accounts.

Although the federal Administration proposed a 25 percent cut in Title I: Elementary and Secondary Education Act funds, it is now expected that funding will remain at approximately the current level unless Congress enacts an appropriation with further cuts.

These programs are currently funded through the Department of Public Instruction. In the future the funding is to be provided by means of the education block grant - Chapter I - Financial Assistance to Meet Special Education Needs of Disadvantaged Children under the program title "Program for Education of Handicapped and State Operated or Supported Schools."

It was understood that the education block grant - Chapter I is to be administered in essentially the same way that the categorical grants have been previously administered. It was understood that a legislative appropriation of block grant funds for each organizational unit is not required. Accordingly, it was proposed that appropriations not be requested for these programs but that the Board Office follow closely funding plans for these programs with the Department of Public Instruction.

The Board Office said two programs should be considered for appropriation of federal block grant funds, one for the University of Iowa and the second for the University of Northern Iowa.

At the University of Iowa the specialized child health care services programs are budgeted for 1981-82 in the amount of \$1,941,000 which consists of \$1,778,000 of federal funds and \$163,000 of sales and services. Initial block grant funds for 1981-82 have been received by the state and a warrant to the University of Iowa is being prepared.

The University of Iowa has obtained funds which would be eligible now under the preventive health and health services block grant for the program entitled "Health Incentive Grants for Comprehensive Public Health." These programs have been funded during 1980-81 in the amount of approximately \$120,000.

Iowa State University has had a program on alcohol and drug abuse for the Iowa Department of Substance Abuse. The program was funded in the amount of \$11,226 in 1980-81 and is being phased out in the amount of \$9,253 in 1981-82 and \$6,170 in 1982-83. The Board Office was informed by the Iowa Department of Substance Abuse that it expects to fund Iowa State University in the amount of \$6,170 for 1982-83.

Accordingly, the Board Office recommended that the Board of Regents not request appropriations of block grant funds for these programs at the University of Iowa and Iowa State University in the amounts of \$120,000 and \$6,170, respectively, but rather that the institutions continue to work directly with the state departments to arrange funding.

In summary, the Board Office recommended that a request for appropriations of federal funds be approved (1) for the University of Iowa - University Hospitals in the amount of \$2,025,000 from block grant funds and (2) for the University of Northern Iowa in the amount of \$269,935 from block grant funds.

Mr. Richey pointed out that no recommendation was made nor have the institutions requested funds regarding requests for state appropriations to make up lost federal funds. Enough information is not yet available to make any recommendations, and that these requests would be presented to the board at a later date.

President Spriestersbach noted that the current request for appropriations by the University of Iowa related to the Specialized Child Health Services program. This is a long-standing program which has been very effective. He said that no other agency performs these functions and the program is of vital interest to the state. He believed it was worthy of continued support.

Mr. Richey suggested that the board would find the provisions of House File 563, which was passed last session, to be interesting. It sets out the procedures for appropriation of state and grant funds. He noted that most of the Regent federal funds are excluded from this act.

Regent Wenstrand asked if there would be items that might be channeled through this request at a later time. Mr. Richey said yes and noted that the board may want to reevaluate its policy on the state picking up federal fund losses. The policy has been to pick up the instructional programs.

The budget proposed by the institution for 1982-83 amounts to \$2,188,000, which would be financed by \$2,025,000 of appropriations and \$163,000 of sales and services. The institution requested state appropriations to fund the increase in the salaries in accordance with the policies previously adopted for appropriations for general fund personnel and with the supplemental appropriations request in accordance with policy adopted previously by the Board of Regents.

The institution requested that whatever amount cannot be funded from appropriation of the Maternal and Child Health block grant funds be appropriated from state general funds.

The Board Office noted that the university has previously provided information to the Board Office for the Legislative Fiscal Bureau Director that showed a dramatic reduction in the number of children served, the number of communities served by clinics, and the number of regional child health centers if it becomes necessary to reduce funding for the program.

If the proposed \$2,188,000 is divided by the total number of children served including mobile units and other services, the cost per child amounts to \$350. Considering the serious medical health conditions of the children and the other services to local health providers the cost seemed reasonable, said the Board Office.

The Board Office explained that the University of Northern Iowa is in the second year of a Biomedical Project funded directly by the United States Department of Education under Title III of the Elementary and Secondary Education Act of 1965 as amended in 1978. The institution estimated expenditure of \$261,094 for 1981-82 and was budgeted to receive \$269,935 for 1982-83. The institution requested appropriations of block grant funds under Education - Chapter II under the program Biomedical Sciences for Talented and Disadvantaged Secondary Students.

The Board Office said it would be desirable to complete the Biomedical Sciences Project rather than discontinue it when it is only about half completed. The Board Office recommended that the request for appropriations from the block grant fund in the amount of \$269,935 be approved.

There are some other programs which are eligible for block grant funds but which have been funded through contracts with various state agencies which have received federal categorical grants for the purpose.

MOTION: Mr. Nolting moved that the board approve a request for appropriation of federal block grants received by the State of Iowa for 1982-83 for (1) the University of Iowa - University Hospitals in the amount of \$2,025,000 from block grant funds and (2) the University of Northern Iowa in the amount of \$269,935 from block grant funds. Dr. Harris seconded the motion and it passed unanimously.

RESIDENCY APPEALS - UNIVERSITY OF IOWA. a. Residence Classification of Dharmvir Krishan. It was recommended that the board accept the recommendation of the Registrars' Committee on Coordination that Mr. Krishan's residency classification remain unchanged (i.e., nonresident).

In October, Mr. Krishan, a student at the University of Iowa who was classified as a nonresident, appealed his classification to the local Institutional Residency Review Committee. That committee upheld the nonresident classification, and Mr. Krishan appealed the decision to the State Board of Regents. The Board Office referred the residency classification appeal to the Registrars' Committee on Coordination.

The Registrars' Committee on Coordination reviewed the case of Mr. Krishan and unanimously agreed that the nonresident classification of Mr. Krishan is the correct classification.

The Residence Review Committee at the University of Iowa ruled that Mr. Krishan will be eligible for residency in spring 1982. The three registrars agreed with the decision of the local review committee.

MOTION: Dr. Harris moved that the board accept the recommendation of the Registrars' Committee on Coordination that Dharmvir Krishan's residency classification remain unchanged (i.e., nonresident). Mr. Neu seconded the motion and it passed unanimously.

b. Residence Classification of Steven R. Nelson. It was recommended that the board affirm the Registrars' Committee on Coordination's recommendation that the nonresident classification of Mr. Nelson is the correct classification.

In October, the Board Office received an appeal from Steven R. Nelson regarding a decision by the University of Iowa's Residency Classification

Committee that the nonresident classification of Mr. Nelson is the correct classification. Mr. Nelson's appeal was referred to the Registrars' Committee on Coordination. The committee recommended no change in Mr. Nelson's residency classification.

It was noted that Mr. Nelson has not demonstrated that his previous domicile has been abandoned and the Registrars believe he should continue to be classified as a nonresident.

MOTION: Mr. Nolting moved that the board affirm the Registrars' Committee on Coordination's recommendation that the nonresident classification of Steven R. Nelson is the correct classification. Mrs. Murphy seconded the motion and it passed unanimously.

FALL COMMENCEMENT SCHEDULES. The following dates have been set for fall commencement at the three universities.

University of Iowa	December 19, 10:00 a.m. Hancher Auditorium
Iowa State University	December 19, 9:30 a.m. Hilton Coliseum
University of Northern Iowa	December 12, 2:00 p.m. UNI-Dome

Board members should let the Board Office know regarding their interest in attending one or more of these commencement exercises.

BOARD OFFICE PERSONNEL REGISTER. There were no transactions on the Board Office Personnel Register.

NEXT MEETINGS. The next meetings are as follows:

December 16-17	Iowa State University	Ames
January 13	University of Iowa	Iowa City
February 10		Des Moines
March 24	Iowa State University	Ames
April 21-22	University of Northern Iowa (Academic Seminar)	Cedar Falls
May 19	University of Iowa	Iowa City
May 20	Iowa Braille and Sight Saving School (Academic Seminar)	Vinton
June 16-17	Iowa School for the Deaf (Academic Seminar)	Council Bluffs
July 21-22	Iowa State University (Academic Seminar)	Ames
August	No Meeting	
September 15-16	University of Iowa (Academic Seminar)	Iowa City

President Brownlee noted that a change had been made in the location for the Iowa Braille and Sight Saving School seminar. It will be held on May 20 in conjunction with the May 19 board meeting.

TEN-YEAR BUILDING PROGRAM, 1981-91. It was recommended that the board:

1. Approve the submittal of a Ten-Year Building Program totaling \$299,388,000 to the 1982 Legislature.
2. Approve submittal of a ten-year program for Board of Regents' State-wide Energy Management Program totaling \$29,420,000 to the 1982 Legislature.

The Board Office explained that Section 262A.3 of the Code states that the board shall prepare and submit to the General Assembly for approval or rejection a proposed Ten-Year Building Program for each institution (university) no later than seven days after the convening of each regular annual session of the General Assembly.

The Board Office recommended that this requirement be met by, first, submittal of a capital program showing university capital needs for the ten years of \$299,388,000 and, second, a ten-year program detailing energy management needs of the statewide program for the universities totaling \$29,420,000.

The Board Office recommendation on the first part of the program compared to an institutional submittal of \$336,858,000. Thus the Board Office recommendation reduced institutional submittals by approximately \$37 million.

The 1981 Legislature, as part of its approval of Senate Concurrent Resolution 35, approved a Ten-Year Building Program submitted to the 1981 Session of \$285,296,000. It was unknown at this point whether this program needs to be approved in 1982 if the Legislature provides funding of the 1982 supplemental capital request or whether the prior approval contained in Senate Concurrent Resolution 35 can suffice. This question is being studied by bond counsel.

The following table compares Board Office recommendations by program factor to that program approved by the 1981 Session. The Board Office recommendations show an overall increase in program of 4.9 percent, most of which is attributable to cost escalation as all projects resubmitted have been expressed in July 1982 dollars. This meant, for the most part, use of a 9 percent inflation factor for the fiscal year.

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<u>Factor</u>	<u>1981 Program Approval</u>	<u>Inst. Submittals</u>	<u>Board Office Rec.</u>	<u>Board Office Reduction</u>	<u>% Change Board Office Rec. vs. Approval</u>
New Buildings	\$129,765	\$142,593	\$128,257	\$14,336	- 1.2%
Equipment	22,035	24,560	22,905	1,655	+ 3.9%
Remodeling	52,590	53,205	53,205	--	+ 1.2%
Utilities	61,666	90,131	75,192	14,939	+21.9%
Special Programs	10,545	16,229	9,689	6,540	- 8.1%
Statewide Health	<u>8,695</u>	<u>10,140</u>	<u>10,140</u>	<u>--</u>	+16.6%
TOTAL	<u>\$285,296</u>	<u>\$336,858</u>	<u>\$299,388</u>	<u>(\$37,470)</u>	+ 4.9%

The table of the Board Office recommendations for the January 1982 submittal of capital needs is shown on the next page. The program has these elements:

It begins with the \$30 million Academic Revenue Bonding Program authorized for fiscal year 1982 and continues on to include the full \$28 million academic revenue bonding program authorized in Senate Concurrent Resolution 35 for fiscal year 1983. Askings for the three universities in the 1982 supplemental capital request, approved by the board in October, total \$32,955,000. Excluded from the ten-year program, as has been past practice, are generally programs at Iowa School for the Deaf, Iowa Braille and Sight Saving School, and other non-university units, as well as certain special programs of the board such as casualty losses, handicapped accessibility programs, fire safety deficiencies, roadways, and tuition replacement appropriations. Those programs are definitely excluded insofar as the 1983-91 period is concerned, although some of those programs as identified have to be included in the funded and authorized portion of the program for 1981-83 under bonding regulations.

The total for the period of four biennia, 1983-92, is \$208,433,000.

The Board Office said the Statewide Energy Management Program has an estimated unmet need of \$29,428,000. To date, \$4.7 million has been appropriated or bonding authorized. The unmet need can be met from several sources such as state appropriations, reappropriation of fuel and purchased electricity savings, or federal grants. The energy management program submittal does not include Iowa School for the Deaf, Iowa Braille and Sight Saving School, or University Hospital units.

Factors in the program include, first, New Buildings. The universities submitted 12 new buildings for consideration. Two buildings would be at the University of Iowa; five at Iowa State University; and

BOARD OF REGENTS UNIVERSITIES CAPITAL NEEDS: 1981-1991

JANUARY 1982 SUBMITTAL

(Board Office Recommendation)

(\$000)

	Academic Revenue Bonding Program (FY 1982)	Academic Revenue Bonding Program (FY 1983)	1982 Supplemental Capital Request	1983-91 Program (4 Biennia)	Total 1981-91 Program
<u>University of Iowa:</u>					
New Buildings	\$ 590	\$12,660	\$23,260	\$ 22,650	\$ 59,160
Equipment	--	--	--	10,050	10,050
Remodeling	--	--	--	22,835	22,835
Utility Needs	3,067	--	--	29,183	32,250
Special Programs <sup>1</sup>	3,748	330	115	--	4,193
Statewide Health Services	1,680	--	220	8,240	10,140
TOTAL	\$ 9,085	\$12,990	\$23,595	\$ 92,958	\$138,628

Iowa State University:

New Buildings	\$ 4,200	\$13,600	\$ --	\$ 33,302	\$ 51,102
Equipment	2,235	40	2,000	6,130	10,405
Remodeling	3,000	--	200	19,505	22,705
Utility Needs	3,539	460	--	25,258	29,257
Special Programs <sup>1</sup>	2,626	910	--	--	3,536
TOTAL	\$15,600	\$15,010	\$ 2,200	\$ 84,195	\$117,005

University of Northern Iowa:

New Buildings	\$ --	\$ --	\$ 7,100	\$ 10,895	\$ 17,995
Equipment	--	--	--	2,450	2,450
Remodeling	500	--	--	7,165	7,665
Utility Needs	2,915	--	--	10,770	13,685
Special Programs <sup>1</sup>	1,900	--	60	--	1,960
TOTAL	\$ 5,315	\$ --	\$ 7,160	\$ 31,280	\$ 43,755

Summary:

New Buildings	\$ 4,790	\$26,260	\$30,360	\$ 66,847	\$128,257
Equipment	2,235	40	2,000	18,630	22,905
Remodeling	3,500	--	200	49,505	53,205
Utility Needs	9,521	460	--	65,211	75,192
Special Programs <sup>1</sup>	8,274	1,240	175	--	9,689
Statewide Health Services	1,680	--	220	8,240	10,140
TOTAL	\$30,000	\$28,000	\$32,955	\$208,433	\$299,388

STATEWIDE ENERGY MANAGEMENT

University of Iowa	\$ --	\$ --	\$ --	\$11,750	\$11,750
Iowa State University	--	--	--	11,665	11,665
University of Northern Iowa	--	--	--	6,005	6,005
TOTAL	\$ (2)	\$ --	\$ --	\$29,420	\$29,420

<sup>1</sup> Includes fire safety deficiencies, handicapped accessibility program, energy management program, and bond issuance costs in FY 1982 and FY 1983 bonding programs.

<sup>2</sup> Included in Special Programs in FY 1982 Bonding Program with specific amounts for energy being: University of Iowa--\$1,410; Iowa State University--\$1,340; University of Northern Iowa--\$1,025; TOTAL--\$3,775.

five at the University of Northern Iowa. In the institutional submittal these structures total \$81,183,000 during the 1983-91 period. They are in addition to the five new buildings already contained in the academic revenue bonding programs and in the supplemental capital request, which additionally total \$61,410,000. These latter buildings include the Communications Facility, an addition to the Theatre, and the Law Building at the University of Iowa; Mechanical Engineering and Engineering Science and Mechanics Building at Iowa State University; and the Communication Arts Building at the University of Northern Iowa.

The Board Office noted that the buildings contained in the 1983-91 segment were not ranked in any type of interinstitutional priority order at this time. That action occurs when the institutions submit the capital request on a biennial basis. The institutions did, however, display their submittals in institutional priority order.

The University of Iowa submitted the same buildings as were in the approved Ten-Year Building Program. These were additions to Phillips Hall for Business Administration and an addition to the Engineering Building.

Iowa State University would construct an addition to MacKay Hall for Home Economics, a major new structure for Agronomy, a Computer Science Building, an Entomology and Genetics Greenhouse, and an Animal Care Facility at the Veterinary Medicine Research Institute.

The University of Northern Iowa submitted the same five buildings that appear in the approved program. These were a 175,000 gross square foot Health, Physical Education, and Recreation Center and small buildings for Plant Services, an addition to Russell Hall for Music, a new Animal Laboratory, and a new Safety Education Center.

The Board Office recommended limiting Iowa State University's list to that which was previously approved by the board - an addition to MacKay Hall and an Agronomy Building. The substantial increase for Iowa State University in its anticipated utility needs probably squeezes out any possibility of adding further new buildings. A new review of that situation will occur at the time the biennial request is submitted next summer. Generally, however, the Board Office did not see anything in the New Buildings category that has changed significantly over the past year to warrant additional projects over what already has been approved by the board.

The Board Office recommended that the University of Northern Iowa project to construct Phase II of the Health, Physical Education, and Recreation Center be significantly reduced. If 175,000 gross square feet were constructed, the university would have a net increase in space devoted to those functions of 31 percent. The university's states it would plan to raze the East Gym (the old Women's Gym) and the swimming pool - replacing those functions in the new building.

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The Board Office said the project is of too great a magnitude to warrant consideration and should be scaled back to a modest size project which would provide a small growth factor over and beyond space lost through razing East Gym and the swimming pool. The University of Northern Iowa space devoted to this function, if the requested project were constructed at this time, would have gross square footage about equal to the space devoted to those functions at the University of Iowa when the arena construction is completed or currently in place at Iowa State University. This is despite the fact that the University of Northern Iowa has less than half the number of students at either of those two institutions.

Further, the institution noted that the project scope was prepared by Savage and Ver Ploeg in 1967 and has been included in the University of Northern Iowa capital request intact since that time. Since 1967, the UNI-Dome has been constructed and Phase I of the Health, Physical Education, and Recreation Center has been built. Also, the University of Northern Iowa projects a 23.5 percent decline in enrollment through 1991. This would mean that the University of Northern Iowa's enrollment in 1991 would be at its lowest point in 20 years.

For all these reasons, the Board Office felt the project needed to be subjected to serious review and that its recommendations should be a starting point for that review.

In summary, the reduction of the three new buildings at Iowa State University would reduce institutional submittals by \$6.8 million, while the scale back in the scope of the Health, Physical Education, and Recreation Center at the University of Northern Iowa represented a reduction of \$7.5 million.

The second factor was Equipment for new buildings. The Board Office said the equipment amount represents a planning amount only with the actual equipment needs put forward on the basis of an equipment list which takes into account use of existing departmental equipment, as well as costs out new equipment needs. That list accompanies firm capital requests.

Usually, equipment is requested on a deferred basis, i.e., construction funds are provided in one biennia and equipment funds in the next. A varied percentage is used depending upon the anticipated equipment needs for a particular facility. This equipment factor can range from 5 percent of the construction amount for a plant services addition where there is mostly office type equipment up to a general standard of 15 percent in classroom/laboratory type buildings where specialized types of equipment are required.

The Board Office recommendation reduced equipment submittals of the institutions by \$1.7 million to reflect buildings dropped or reduced from further consideration in the New Buildings factor.

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The third factor was Remodeling. Remodeling requests of the ten-year program, explained the Board Office, are based upon the life-of-building formula. This formula base assumes a useful building life of 100 years and that during its life a building will undergo two complete renovations. One renovation would be funded from operating building repair appropriations and one from capital funds.

The Board Office said the remodeling program continues to be quite conservative to institutional needs in that on the capital side it retains the four-year phase-in to actual costs approved by the board in 1981 for the building repairs request. It was noted that the board has been less than successful in getting adequate maintenance money from either the operating or the capital side.

The formula yielded a program total for the ten years of \$53,205,000. This would, if funded, place a substantially higher priority on gaining remodeling funds in the future.

The fourth factor, Utility Needs, is based upon presentations made by the Physical Plant Directors. The institutions estimated that there are capital utility needs totaling \$80,150,000 for the 1983-91 period. This represented an increase over the total utilities approved in the 1981 program of 22 percent. Comparison of the 1983-91 period in the two programs shows even a more dramatic increase of 88 percent from needs submitted earlier at Iowa State University, 72 percent at the University of Iowa, and 12 percent at the University of Northern Iowa.

In its new listing Iowa State University included a new boiler, a new turbine, and a new chiller. The University of Iowa included a new boiler, a part of the university's previously announced program of boiler replacement in lieu of building a totally new power plant. Only the University of Northern Iowa continued its program along the same lines as previous submittals, calling for a new coal-fired boiler late in the ten-year period.

The Board Office felt the utility needs submitted by the Physical Plant Directors were far too ambitious for the period covered. Therefore, it spread the submittals from the institutions out to a twelve-year planning cycle, rather than ten years. It thereby deferred about \$15 million in utility needs from this ten-year program.

The Board Office requested the institutions to identify in priority order projected utility needs for the 1983-85 biennium, as those needs will be coming to the board next summer as part of the biennial capital request. That list shows that the institutions feel they have needs totaling over \$37 million during the next biennium. Again, the institutions need to closely examine their utility needs and perhaps reduce expectations, as that level of funding for utilities in a single biennium seems unattainable. The institutions should review any anticipated utility needs against projected future energy savings, something which may not have been done at Iowa State University.

The fifth factor, Special Programs for the 1983-92 period, includes two projects at Iowa State University. These are the remaining fire safety deficiency corrections and Phase II of the Gilman Hall Remodeling project. The Board Office recommended deletion of both these projects from the ten-year program. The fire safety deficiency corrections program costs are indefinite in nature, particularly since the corrections pointed out in the second and recently concluded Fire Marshal inspection at the University of Iowa and the University of Northern Iowa have not been costed out. From the first inspection, it is known that there is almost \$8 million of unfunded corrections and that by the end of this biennium the board will have spent almost \$5.3 million for such corrections.

Because of the indefinite nature of these costs, the Board Office believed they should be included as a special program only in the biennial capital request.

The Board Office recommended exclusion of the Gilman Hall project because it believed the remodeling project is not much different than other types of remodeling projects at the institution and its funding and priorities should be included in the remodeling factor amount. The Gilman Hall project is somewhat similar in scope to the Chemistry/Botany project at the University of Iowa which has traditionally been included in the remodeling portion of the capital request.

The sixth factor, Statewide Health Services, includes an addition to the Hygienic Laboratory at the University of Iowa's Oakdale Campus for which planning funds are currently requested, as well as a further addition to the westside chilled water plant. The Board Office said this Phase V addition will evidently be needed much earlier than originally anticipated in that word has been received that major additions to the South Pavilion project are planned to occur within the next year, meaning that Phase V of the Chilled Water Plant Expansion would need to be funded as part of the board's 1983-85 capital requests.

The Board Office pointed out that the Ten-Year Building Program is an important element of the space management process used by the Regent institutions. It also gives the board an early look at future space deficiencies at the institutions and aids in understanding of those problems when they do appear on the biennial capital request. Neither the Board Office nor the board will through inclusion of projects on this list give approval, tacit or otherwise, to any of the projects contained in the last eight years of the program. The program instead represents individual institutional state-of-the-art efforts toward planning future facility needs. The Board Office thanked the institutional facility officers and their staffs for their assistance in formulation of this program.

President Brownlee began the discussion by noting that the board would be submitting the Ten-Year Building Program without indicating any priorities. The program is not intended to indicate the order in which the projects should be done.

Vice President Stansbury noted that the construction of the Ten-Year Building Program was not an easy task and said much of the credit for development of the plan went to the Board Office, especially Mr. McMurray.

Vice President Stansbury said the University of Northern Iowa had some concerns about the program. The main concern was the proposed reduction in the additions to the Physical Education Center. He said that in recent years the university was caught up in the need to make a major update in its utilities and growth in its academic space took a back seat to these utility needs.

Vice President Stansbury noted that the Ten-Year Building Program showed an increase of \$18,000,000 in new projects for utilities over the period. He said none of these new utility projects are at the University of Northern Iowa since its major utility needs have reached the point that the university hopes it can stress the essential academic needs which heavily influence the vitality of the university's academic programs. He said that during this decade the last academic building funding of major consequence was the Communication Arts Center Phase I with funding in the early 1970s. The Communication Arts Center Phase II funding currently remains at the top of the university's major academic building priority list. He noted that action by the board in September placed this as the next unfunded major academic capital need of the board. It took six years to accomplish this. Vice President Stansbury said the university is fortunate that the board recognizes the need for this facility.

The University of Northern Iowa's next new major academic facility would be an addition to the Physical Education Center. Vice President Stansbury said when the Physical Education Center was built in 1970, the plan at that time was to complete the facility in the next biennium by the funding of Phase II. Due to the limited availability of capital moneys for the Regents over this ten years and the significant need of utilities at all of the institutions, the Physical Education Center has been postponed and is not only unfunded but remains beyond the board's requests.

Vice President Stansbury said the university recognized that the long-range plan made by Savage and Ver Ploeg in 1967 needs at least a re-examination because of the many factors that change over that period of time. The university did this and found that a reduction in the size of the facility is justifiable at this time in the Ten-Year Building Program.

Based on the size of the project and on an economic realization of the availability of capital funds, said Vice President Stansbury, the size of the building for Phase II could be reduced. However, the university did not believe the proposal for a reduction to 85,000 square feet would sufficiently provide for the university's most immediate needs in the Health, Physical Education, and Recreation Programs.

In summary, Vice President Stansbury said the university recognizes the limitations of capital funding available for the Board of Regents. In fact, the University of Northern Iowa did not propose any significant addition to the Ten-Year Capital Program approved last year.

The university's proposal would recognize the real need of the Health, Physical Education, and Recreation Programs. If it were given a high priority in future fundings, it would meet those serious needs that the program has at the current time. Therefore, said Vice President Stansbury, the university requested that the board make a minor adjustment to the total program, but a major adjustment to the University of Northern Iowa in the Ten-Year Building Program to recognize the needs of the Health, Physical Education, and Recreation Program and that further it soon give serious consideration to funding as quickly as possible so that the university can provide adequate space for this successful program now.

Mr. Richey stated that the Board Office's purpose in reducing the square footage of the facility was to force a complete reexamination of it because of changes that have occurred since 1967 when the original study was done. At that time planning was based on certain enrollment expectations which have changed. Mr. Richey said the Board Office recommendation was being made with the understanding that the size of the project may change when it is considered again. He said the Board Office recommendation would remain as stated with the understanding that the scope of the project at the University of Northern Iowa would be reexamined and resubmitted on the basis of future planning.

Vice President Stansbury said this is something the university does automatically every two years and that it would reexamine the projects. He noted that the original proposal for the facility was 120,000 square feet. He said the university would be happy to give the proposal re-consideration and come in with a formal proposal next spring.

Regent Anderson asked if there would be a problem if the board submitted one figure for this facility to the General Assembly now and then submitted a larger figure a year from now. Mr. Richey explained that the documentation accompanying the submission would mention this possibility and it would also be noted in any oral presentations.

Mr. Richey noted that the Board Office was awaiting word from legal counsel as to whether the Ten-Year Building Program submitted by the board and adopted by the General Assembly last year can be used as the basis for the board's asking this year. Board members will be notified of the results of this question by mail.

Regent Wenstrand said it did not appear that the board has been very successful in its building repair efforts and asked about the life-of-building formula used in remodeling. Mr. McMurray said that before the formula was implemented remodeling was submitted on a project-by-project basis. It was difficult for institutions to give proper priority to remodeling because it got mixed in with new building needs. The life-of-building formula provided a target figure based upon a conservative estimate of needs and thus gives remodeling a higher outlook and priority than on a project-by-project basis. He noted that several midwestern states use the formula approach successfully.

Regent Wenstrand wondered if there was a more successful route to pursue for remodeling. Mr. Richey pointed out that the board would have received additional funds based on a recommendation using the life-of-building formula. However, the funds were not appropriated because of the mandated 4.6 percent reversion last year. In answer to a question from Regent Wenstrand, Mr. Richey said there is recognition of the formula and that people feel it is a valid approach.

Regent Murphy asked why the life-of-building formula has been more successful in other states. Mr. McMurray suggested that those states have given remodeling a higher priority. Vice President Madden noted that some states have been using the formula to redistribute funds among the institutions in a state rather than providing more total money.

In regard to utility needs at Iowa State University, Vice President Moore said there is a tie line with the City of Ames. If the university's system went down completely, it would be able to get power off the grid to service the campus. This cost less than buying or using lines separately.

Vice President Moore said that the university does not have as large a safety factor as does a private utility. If the university's power system went completely or partially down, it would be more vulnerable to damage than a private utility which has access to a grid.

He noted that utility needs are less directly beneficial to the university because they do not provide extra academic or research space. However, it is essential to have a reliable power plant and heating system. He said the utility system has been neglected over the years and it is the university's responsibility to bring it to the attention of the board. He said it was optimistic to think in terms of a 50-year replacement schedule. The state of Iowa must be aware that it is a better use of the tuition dollar to provide reliable and quality power. This is better in the long run than relying on the outside purchase of power.

Regent Jorgensen noted that a lot of money was to be invested in the Statewide Energy Management Program. She said this program offers some

potential for real savings. She asked if the board would get a report on energy benefits and how much is being saved. Mr. McMurray said the board would get a report. There has been some delay and money in new projects is just becoming available to the institutions. They are just now working through the program to identify savings.

Mr. McMurray said it will be important to have a reporting mechanism that identifies savings to use when the board requests money for the Energy Management Program from the Legislature. Up to this point, requests have been based on theoretical models. He said such reports would be made in six to nine months or possibly at the time the request is made for the 1983-85 biennium.

Vice President Moore noted that Iowa State University had made three requests to the board to fund energy management projects. He said the university would put together a summary of what it might have been able to save in utility projects if the energy management program had been started when originally planned.

MOTION:

Mr. Wenstrand moved that the board approve the submittal of a Ten-Year Building Program totaling \$299,388,000 to the 1982 Legislature; and approve submittal of a ten-year program for Board of Regents' Statewide Energy Management Program totaling \$29,420,000 to the 1982 Legislature. Dr. Harris seconded the motion and it passed unanimously.

LEGISLATIVE REPORT - 1982 SESSION. It was recommended that the board accept the report on carryover legislation.

The Board Office reported that the 1982 Legislative Session will convene on Monday, January 11, 1982. Since this is the second year of the legislative session, any bills introduced in the 1981 Session on which action was not completed carry over for possible action in the 1982 Session. The Board Office, in cooperation and coordination with the institutions, reviewed all carryover legislation and identified 196 bills which impact in some way (however minor) on an aspect of the Board of Regents' operations.

The Board Office said it would report to the board at least on a monthly meeting basis in detail on important issues before the Legislature. The board will have an opportunity to change the positions suggested in the docket memorandum at the board meeting.

The Board Office reviewed carryover legislation. Within that legislation, there was one bill listed as supported by the board as part of its program; three bills where the board has taken a position in favor; and 38 bills to which the board has taken a position of opposition. The Board Office noted that unless a change was made at this board meeting on any of these positions, the Regents' position would be as stated in the Summary Report.

GENERAL  
November 18, 1981

Regent Neu asked for a review of the reason for opposing House File 38/Senate File 340. These bills would limit the recovery for claims under the Iowa tort claims act to a set dollar amount. The board has opposed this because of potential private liability under the act and because insurance would be required to make up the difference. Mr. Richey indicated that if a limit is placed on coverage for a claim, the board will have to assure that there is coverage for claims that might be larger than the limit.

Regent Neu asked if Senate File 438 was dead for the session. This bill deals with confidential records and closed meetings on employment applications. Mr. Richey said this bill is not considered dead. It passed the Senate and is now in the House. He said if the board agreed, this bill would be pushed as part of the Regents' program.

Senate Study Bill 263 would require mediators, factfinders, and arbitrators to be residents of Iowa. President Kamerick pointed out that it would be very difficult to find people in Iowa who would meet the requirements of the University of Northern Iowa.

In answer to a question from Mr. Hawkins, Mr. Richey said the amendments to House File 828, which deals with the State Historical Museum, were approved by the board in October. Therefore, it was not included on the current report.

The board accepted the report on carryover legislation by general consent.

EXECUTIVE SESSION. President Brownlee reported that the board needed to enter into executive session for the purpose of legal consultation under Chapter 28A.5(1C) of the Code of Iowa. On a roll call vote as to whether to enter into executive session, the following voted:

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

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 4:30 p.m. and arose therefrom at 4:45 p.m.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, November 18, 1981.

SALE OF \$9,085,000 STATE BOARD OF REGENTS STATE OF IOWA ACADEMIC REVENUE BONDS, SERIES S.U.I. 1981. The Board Office reported that in Senate Concurrent Resolution 35 the 1981 Legislature authorized sale by the Board of Regents of \$58 million in academic revenue bonds over the next two years. Bonds which can be issued the first year total \$30 million. In June the board approved a division of the \$30 million among the three universities as follows:

University of Iowa	\$ 9,085,000
Iowa State University	15,600,000
University of Northern Iowa	5,315,000

The sale of \$9,085,000 in bonds for the University of Iowa at this time would fund these projects:

West Campus Utility Improvements	\$1,917,000
Fire Safety Deficiencies	1,750,000
Chilled Water Plant - Phase IV	1,680,000
Sanitary and Storm Sewer Replacements	1,150,000
Energy Management Program	1,410,000
Planning New Space	490,000
Handicapped Accessibility Program	515,000
Law Building Site Clearance	100,000
Issuance Costs	73,000
	<u>\$9,085,000</u>

The Board Office presented the details of these bonds as found in the resolution authorizing and providing for the issuance of said bonds:

- o Bonds will bear the date of December 1, 1981, in coupon denominations of \$5,000 each. Bonds shall bear interest from the date thereof with the first interest payment being made July 1, 1982, and semi-annually thereafter on the first days of January and July each year. Bonds will mature in numerical order with the first principal payment of \$500,000 being made on July 1, 1984, with succeeding payments ranging from \$500,000 to a final payment of \$550,000 in 2001. The type of bonds utilized by the board for academic revenue bonds is essentially 20-year even principal bonds.
- o Bonds are redeemable by the board on any interest payment date on or after July 1, 1992, upon terms of par and accrued interest plus a premium equal to 1/2 of 1% of the principal amount of any such bonds

called for redemption for each year or a fraction thereof between the redemption date and the stated maturity of such bonds, but in any event not to exceed 3% of the principal amount of such bonds. (This call date is advanced one year from that contained in the previous bond sales this year.)

- o Paying agent is the Treasurer of the University of Iowa.
- o The university acts as bond registrar.
- o Investment of bond proceeds is limited to direct obligations of the United States government.
- o Other sections of this resolution include provisions on audit, on the arbitrage requirements of the Internal Revenue Service, on how the bonds can be modified by consent of the bondholders, etc. All these provisions are standard with all prior academic revenue bond resolutions, as these are parity bonds.

The board has had three prior issues for the University of Iowa - 1970, 1972, and 1977. Total bonds issued for the university, excluding this issue, have been \$14,810,000, of which \$8,840,000 principal will remain outstanding as of June 30, 1982.

President Brownlee called the meeting to order at 1:00 p.m., Central Standard Time, November 18, 1981. The roll being called there were present S. J. Brownlee, president, in the chair, and the following named board members: Anderson, Harris, Jorgensen, McDonald, Murphy, Nolting, Neu, and Wenstrand.

President Brownlee stated that the meeting was for the purpose of receiving separate sealed bids on sale of \$9,085,000 Academic Building Revenue Bonds, Series S.U.I. 1981 of the State Board of Regents of the State of Iowa.

President Brownlee requested the filing of all sealed bids. After making a second and third call for the filing of sealed bids, President Brownlee announced the closing of receipt of sealed bids.

President Brownlee introduced Mr. Pavia of Speer Financial, Inc., the board's bond consultants.

President Brownlee directed the executive secretary to open the sealed bids and asked Mr. Pavia to read the sealed bids. Mr. Pavia reported that three sealed bids were received. The bids were as follows:

<u>Bidders</u>	<u>Net Interest Rate</u>
Dain Bosworth Incorporated - Minneapolis and Merrill Lynch White Weld Capital Markets Group-NY & Carleton D. Beh Co. - Des Moines - Joint Managers	10.2147%
John Nuveen & Co., Inc. - Chicago and Dean Witter Reynolds, Inc. - New York and Shearson/American Express, Inc. - New York and Securities Corporation of Iowa - Cedar Rapids - Joint Managers	10.5167%
Harris Trust and Savings Bank - Chicago and The Northern Trust Company - Chicago and Iowa-Des Moines National Bank - Des Moines and Clayton Brown & Associates, Inc. - Chicago and First National Bank in Dallas - Dallas and Piper, Jaffray & Hopwood, Inc. - Minneapolis - Joint Managers	11.14416%

President Brownlee directed Mr. Pavia and Mr. McMurray to calculate the bids. After consideration of the bids, Mr. Pavia recommended that the board accept the bid of Dain Bosworth Incorporated and Merrill Lynch White Weld Capital Markets Group, and Carleton D. Beh Co., Joint Managers and Associates at a net interest of 10.2147. Mr. Pavia said this was a good bid that represented the market.

MOTION:

This being the time and place fixed by published notice, the board took up for consideration the matter of bids for the purchase of \$9,085,000 Academic Building Revenue Bonds, Series S.U.I 1981, of said board. After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled, "Resolution providing for the sale and award of \$9,085,000 Academic Building Revenue Bonds, Series. S.U.I. 1981, and approving and authorizing the agreement of such sale and award," which was introduced and caused to be read. Mrs. Anderson moved that said resolution be adopted, seconded by Mr. McDonald and the roll being called the following voted:

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

NAY: None

Whereupon the president declared said resolution duly adopted and signed his approval thereto.

MOTION: The board took up for consideration the matter of authorizing and issuing \$9,085,000 Academic Building Revenue Bonds, Series S.U.I. 1981. Whereupon Mr. Nolting introduced and caused to be read a resolution entitled "A resolution authorizing and providing for the issuance and securing the payment of \$9,085,000 Academic Building Revenue Bonds, Series S.U.I 1981, for the purpose of defraying the cost of buildings and facilities on the campus of the State University of Iowa," and moved that said resolution be adopted. Mr. Wenstrand seconded the motion and after due consideration by the board the president put the question on the motion and upon the roll being called the following voted:  
AYE: Anderson, Harris, Jorgensen, McDonald, Murphy, Neu, Nolting, Wenstrand, and Brownlee  
NAY: None  
Whereupon the president declared the motion duly carried and said resolution adopted.

MOTION: Mr. McDonald moved that all certified checks submitted by bidders, except for that of the best bid, be returned. Mr. Neu seconded the motion and it passed unanimously.

MOTION: Mrs. Jorgensen moved that the firm of McGladrey Hendrickson and Company, Iowa City, Iowa, be employed as bond auditor. Mr. Neu seconded the motion and it passed unanimously.

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

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

Appointments:

Edward W. Mason, M.D., as Acting Head of the Department of Surgery, College of Medicine, effective October 1, 1981.

Lowell Schoer as Chairman of the Division of Psychological and Quantitative Foundations in the College of Education, through June 30, 1981.

William R. Kinney, Jr., Murray Professor of Accounting, as Director of the Institute of Accounting Research in the College of Business Administration, effective November 1, 1981.

Resignation:

C. Corinne Hamilton as Director of the Career Services and Placement Center, effective June 30, 1982.

Vice President Bezanson noted that Susan Phillips has left for Washington, D.C., to be a Commissioner on the Commodity Futures Trading Commission. She asked Vice President Bezanson to express to the board her pleasure in attending the board meetings and being able to work with the board. Vice President Bezanson said Ms. Phillips, who is on leave from the College of Business, was a wonderful addition to the university.

The appointments of Dr. Mason, Professor Schoer, and Professor Kinney and the resignation of Ms. Hamilton were approved by general consent of the board.

PROPOSED CATALOG CHANGES. 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 and recommendation.

It was noted that next month the Board Office would prepare an analysis of the changes so that board members can have a more thorough understanding of the proposal.

The proposed catalog changes for the University of Iowa were referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

PROPOSED UNIVERSITY CALENDAR FOR 1983-84. It was recommended that the board approve the calendar proposed by the University of Iowa for the academic year 1983-84.

The Board Office said the proposed calendar is comparable to that previously approved for 1982-83. When combined with the previously approved calendar, it makes appropriate provision for seven statutorily designated holidays and one specifically designated holiday in the calendar year 1983. As in the past, the university requested an additional personal holiday in lieu of the second specifically designated holiday, through arrangements made with the State Employment Relations Office. The university previously requested that this be allowed in order to protect the income of the University Hospitals. The Board Office noted that the university is aware of its obligation to schedule holidays for employees covered by collective bargaining agreements consistent with those agreements.

The Board Office noted that conflicts in commencement dates for the three Regent universities were avoided by scheduling 1984 commencements at the University of Northern Iowa on Friday, May 11, and Friday, July 27. Commencements in 1984 for the University of Iowa are scheduled for Saturday, May 12, and Friday, August 3. Iowa State University had not yet submitted its calendar for 1983-84.

The Board Office noted a correction that needed to be made on the calendar. That was that Foundation Day, February 25, 1984, falls on Saturday, not Sunday. The Board Office also expressed a concern that written confirmation of the university's arrangements with the State Employment Relations Director be received.

Mr. Richey said that the Board Office's concern about confirmation from the State Employment Relations Director had been satisfied.

Mrs. Jorgensen pointed out that most of the Christmas vacation falls after Christmas rather than before Christmas. This makes it difficult for students to find jobs during the vacation.

MOTION: Mrs. Anderson moved that the board approve the calendar proposed by the University of Iowa for the academic year 1983-84, with the correction noted above. Mr. Wenstrand 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 November 1981 had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following contracts:

Carver-Hawkeye Sports Arena

Contract #8 - Roofing

Award to: D. C. Taylor, Cedar Rapids, Iowa \$652,861.00

Contract #18 - Fabric Skylight

Award to: Chemfab Birdair Structures, North Bennington, Vermont \$158,885.00

University Hospitals - Construction of Hangar for Air-Care Emergency Helicopter Service

Award to: McComas/Lacina Construction Co., Inc., Iowa City, Iowa \$ 84,201.00

University Hospitals - Automatic Sprinkler System - Psychiatric Hospital, North Wing

Award to: Blackhawk Automatic Sprinklers, Inc., Waterloo, Iowa \$ 33,500.00

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

Medical Laboratories - Tissue Culture Facility Remodeling - 20, 22, 23, and 24

The board was requested to approve a revised project budget totaling \$200,770. The prior project cost was approved in January at \$167,850. The project increase was due to receipt of a support grant for the Cancer Center which includes \$75,000 which may be applied to this project. About \$33,000 will be applied directly to the project in the form of new casework. The balance of the grant releases slightly more than \$42,000 in general university Building Repairs funds for reallocation.

Campus Electrical Supply Renovations - Loop D and Primary Service to Hawkeye Arena

The board was requested to approve a revised budget from \$3,886,400 to \$4,123,400. The board was also requested to give permission to negotiate with the contractor to relocate a duct bank and increase the size of the vaults. Mr. McMurray said these requests were being made because of unanticipated problems and that they were in order.

Vice President Bezanson explained that while running some cable through a duct a fracture was found. It will be necessary to relocate the duct. It is important to do this because the electrical cable will service the west campus. Vice President Bezanson said it is critical to have this started up and running by spring and noted that last summer the university was lucky not to have any brownouts.

Final reports were submitted on 25 projects:

The Board Office reported that they were all in order. The three largest projects were Handicapped Access - Phase II, a \$280,000 capital project; a \$122,315.77 institutional roads project undertaken in 1979 entitled Lighting Mormon Trek Boulevard and Hawkeye Apartment Drives; and a \$245,350.31 project to remodel the basement and third floor of Eastlawn.

The board was requested to approve the following new projects:

University Hospitals - OR Nursing Support Area and Anesthesia On-Call Quarters

Source of Funds: University Hospitals RR&A \$ 76,806.00

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

Renovation for Handicapped Access - Phase IV - Museum of Art  
Source of Funds: Capital Bonding Authority, FY 1982 \$224,400.00

The bonding program includes \$515,000 for handicapped access programs in the Museum of Art and the Field House. The Museum of Art project includes the installation of a three-stop hydraulic elevator to serve the gallery areas, one-half flight above and below the main entry level, and a wheelchair inclined lift to serve the next lower gallery area. In September the board ratified selection of The Durrant Group, Inc., Iowa City, Iowa, to provide full engineering services on this project to a maximum of \$20,690. This is 11.8 percent of the cost of construction of \$175,700.

West Emergency Drive - South Pavilion Hospital Complex  
Source of Funds: Institutional Roads Program, 1982 \$293,000.00

This project was approved by the board as to its inclusion in the 1982 construction program in October. Engineering services are being provided by Shive-Hattery & Associates, Iowa City, Iowa. The Physical Plant Department was selected as inspection supervisor.

Hydraulics Laboratory - Remodel Third Floor  
Source of Funds: General University Building Repairs \$151,000.00

The Physical Plant Department was selected as engineer and inspection supervisor. The university noted that the air conditioning system installation will be awarded by public bidding process. Other portions of the work including the general budgeted at \$45,000 will be completed by owner's workforce and purchase order.

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

5 Boyd Tower Nurse Station Expansion

Ratify selection of Engineering Associations, Iowa City, Iowa, to provide full range engineering services for mechanical and electrical work on an hourly rate basis to a maximum of \$2,250. The board has not approved a project budget to date.

North Capitol Street and East Bank Riverfront Improvements

Ratify selection of Crose-Gardner Associates, Des Moines, Iowa, to provide conceptual site development plans for the titled areas on the campus. Fees would be on an hourly basis to a maximum of \$12,000. The board has not approved a project budget to date.

University Hospitals - MICU Remodeling

Ratify selection of Engineering Associates, Iowa City, Iowa, to provide mechanical and electrical engineering services on an hourly rate basis to a maximum of \$8,450. The board has not approved a project budget to date.

University Hospitals - MICU Isolation Rooms and Support Area

Ratify selection of Engineering Associations, Iowa City, Iowa, to provide mechanical and electrical engineering services for the project on an hourly rate basis to a maximum of \$4,750. The board has not approved a project budget to date.

MOTION:

Mr. McDonald moved that the board approve the Register of Capital Improvement Business Transactions for November 1981; ratify award of construction contracts made by the executive secretary; approve the revised budgets; approve negotiations with contractor; approve the final reports; approve the new projects; ratify the consultant contracts; and authorize the executive secretary to sign all necessary documents. Dr. Harris seconded the motion and it passed unanimously.

LEASES OF PROPERTY. a. Lease Renewal - Jaeger Hotel Company (Landlord)

It was recommended that the board approve the lease with Jaeger Hotel Company for the benefit of the University of Iowa for the use of rooms in the Hotel Muscatine numbered 400, 401, 402, 403, 411, 412, and 600, consisting of approximately 1200 square feet, for one year from December 1, 1981, to November 30, 1982, at an annual rent of \$4,800 payable in 12 equal monthly installments, commencing December 1, 1981.

The Board Office reported that the space to be leased was the same space currently used by the university for offices and clinic for the Coronary Risk Factor Project of Pediatric Cardiology. The rate of approximately \$4 per square foot represented no increase for the new lease period. The Board Office said the rate was considered by the university to be fair, equitable, and favorable.

The cost of this lease is paid by a federal grant received by the university through the College of Medicine.

Utilities and janitorial services are paid by the landlord.

MOTION:

Mr. Nolting moved that the board approve the lease with Jaeger Hotel Company for the benefit of the University of Iowa for the use of rooms in the Hotel Muscatine numbered 400, 401, 402, 403, 411, 412, and 600, consisting of approximately 1200 square feet, for one year from December 1, 1981, to November 30, 1982, at an annual rent of \$4,800 payable in 12 equal monthly installments, commencing December 1, 1981. Dr. Harris seconded the motion. Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

b. New Lease - Seldin Development and Management Company, dba the Mayflower Venture (Landlord). It was recommended that the board approve the lease with the Mayflower Venture for the benefit of the University of Iowa for the use of 119 quadruple suites and 7 single units in the Mayflower Apartments for the 1982-83 school year, commencing August 21, 1982, and ending May 30, 1983, for a full term rent of \$641,000 payable in nine equal monthly installments of approximately \$71,222.22 each.

The Board Office explained that this lease would enlarge the present use of the Mayflower Apartments for student residences. Currently, 416 students, six resident assistants, and one head resident use the Mayflower for housing. Under the proposed lease, 468 students, seven resident assistants, and one head resident would use the Mayflower.

The increase in cost from 1981-82 to 1982-83 is approximately 13 percent, based on all space the university will be utilizing. The room operation for 1981-82 has a projected loss of \$108,317. The room operation for 1982-83 has a projected loss of \$157,523, given that the university increases the rate it charges students for rooms by 9 percent. The loss in each of the years is projected to be offset by the projected profit from the board operation. For 1981-82, 63.5 percent of the students at Mayflower are taking board which is projected to generate a profit of \$131,118 which, when offset by the room loss, will give a net profit at Mayflower of \$22,801. For 1982-83, using the same percentage (63.5 percent) of students taking board and increasing the board charge by 9 percent, the profit from the board operation would be \$161,939 which, when offset by the room loss, would give a net profit on the Mayflower operation of \$4,416.

For the fall of 1982, the university anticipates a demand of 1,729 more residence hall spaces than it has. The lease of the Mayflower units would assist in meeting this demand. As the demand is projected to decrease in the near future, the temporary nature of the Mayflower operation is extremely advantageous to the university, said the Board Office. The

open market rate to be charged for the units by Mayflower in 1982-83 is approximately 16 percent more than what the university negotiated under the proposed lease. Hence, the increase in the rental charge was deemed reasonable.

Utilities at the Mayflower are provided by the landlord.

The Board Office recommended approval of the lease.

Vice President Bezanson said that space in the Mayflower has been leased by the University of Iowa for two years and used to meet a capacity shortage in the residence hall system. This has led to a more intense use of housing and more available student housing in Iowa City.

He noted that the university expects the current enrollment situation to be temporary and that future demand for residence halls would not justify construction of new ones.

Vice President Bezanson said that the university invested in staff for the Mayflower space in order to make it very like the residence hall facilities operated by the university. The use of the Mayflower has been a popular and successful operation.

Vice President Bezanson noted that the university would be paying less to lease this space than would be charged for direct rentals by the Mayflower. He said that the university has not yet begun considering specific increases in residence hall rates. This process will involve an analysis by university staff and extensive consultation with representatives from the Association of Residence Halls.

He noted that it is very important to continue the additional capacity in the residence hall system by using the Mayflower. It serves students by providing a residence hall environment and making more intense use of available housing space in Iowa City. For freshmen this space provides a living environment that is well integrated into the learning and educational environment of the university.

**MOTION:**

Mrs. Jorgesen moved that the board approve the lease with the Mayflower Venture for the benefit of the University of Iowa for the use of 119 quadruple suites and 7 single units in the Mayflower Apartments for the 1982-83 school year, commencing August 21, 1981, and ending May 30, 1983, for a full term rent of \$641,000 payable in nine equal monthly installments of approximately \$71,222.22 each. Mr. Nolting seconded the motion. Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

BUILDINGS TO BE RAZED (DEMOLISHED). It was recommended that the board approve the razing of two buildings identified on the building inventory base as Building Nos. 157 and 913 totaling 4,086 gross square feet.

One of these buildings, No. 157, is a 2,930 square foot house located at 213 Riverview, currently utilized by the University Hygienic Laboratory. The function in this building is being transferred to the Oakdale Campus. The second building, No. 913, East Hall Temporary B, consists of 1,156 square feet which can be demolished because the Motion Picture Processing Laboratory activities have been relocated in Seashore Hall or discontinued.

MOTION: Mrs. Anderson moved that the board approve razing two buildings identified on the building inventory base as Buildings Nos. 157 and 913 totaling 4,086 gross square feet. Dr. Harris seconded the motion and it passed unanimously.

PHASED RETIREMENT POLICY. It was recommended that the board approve the University of Iowa proposal for phased retirement as revised by the Board Office.

In December 1978 the Board of Regents adopted recommendations made by an Interinstitutional Retirement Study Committee. The board directed the university to "review its policies and practices relating to personnel retirement with a view to facilitating retirement planning and making available increased options for faculty and staff in regard to retirement."

The University of Iowa proposed a phased retirement program which all of its employees except organized merit system employees of a certain age and length of service would be eligible for consideration. The policy proposed by the university was approved by the University Retirement and Insurance Committee. It is intended to promote the vitality of the university by allowing appointment of new people earlier than would be possible if all personnel continued full-time employment until reaching mandatory retirement age. It may allow retention of senior employees of great vitality who might otherwise leave the University of Iowa. It also is intended to ease the transition of faculty and staff from work to retirement.

The Board Office said that in recent years nationwide attention has been given to the problem of maintaining the vitality of universities and the integrity of faculty tenure. Pressures which have focused attention on that problem include the recent increase in the permitted mandatory retirement age, and the possibility that mandatory retirement will be prohibited entirely. The inflationary economy which affects those living on fixed retirement incomes more than others and thus tends to impede voluntary retirement has also caused interest in early retirement incentive programs. The prospects of declining enrollment and related reductions in staff have motivated other university administrations to consider early retirement incentives.

The university proposed policy would allow faculty or professional and scientific staff members who have attained age 60 with ten years of service at the university to negotiate with their departments an arrangement for phased retirement. All parties involved must be mutually satisfied with the arrangements for part-time activity, but final approval would be required by the appropriate dean and vice president. The period during which the phasing must be completed can be no more than five years and, once started, the employee may not return to a full-time appointment.

During the phasing period no participant may hold an appointment of more than 80 percent time. During the first four years of the five-year phasing period, the salary received would reflect the reduced responsibilities plus 10 percent of the budgeted salary had the person worked full time plus fringe benefits based on full-time employment. In the fifth year following the initiation of the phased retirement program and in all subsequent years prior to retirement, the employment appointment would be 50 percent and salary would be 50 percent of the budgeted salary had the person worked full time. Fringe benefits would continue at 100 percent the fifth year, but would be reduced to 50 percent or less (depending on percentage of appointment) after the fifth year.

During the five-year phased retirement period, life insurance, health insurance, disability insurance, and major medical insurance would continue at the same levels that would have prevailed had the individual continued on a full-time appointment. Retirement contributions to TIAA/CREF by the university would be based on the salary which would have obtained had the individual continued on a full-time appointment. As mandated by law, FICA contributions would be based on the individual's actual salary during the partial or pre-retirement period. Applicable vacation and sick leave would be based on percentage of actual work time. Persons phasing into retirement would continue to be eligible for other programs or activities provided for faculty or staff (e.g., faculty developmental assignments, staff tuition grants, etc.) in accord with the departmental, collegiate, or university policies governing the participation of part-time faculty or staff in specific programs. The same would apply to those having completed the phasing period.

The university requested board approval of its proposed policy for faculty and professional and scientific employees with the understanding that a report on operations of the policy would be made to the board by June 1984.

The policy proposed by the University of Iowa would apply only to non-organized merit staff of the Board of Regents Merit System. The policy is the same as that proposed for faculty and professional and scientific staff except that the 10 percent salary increment for non-organized merit system employees during the phasing period would be equated to pay in the merit system pay plan that is two grades higher than the grade to which the employee's class of position is assigned (which would approximate a 10 percent increase). The university requested board approval for non-organized merit system employees on an experimental basis and would report back to the board on the results of the experiment by June 1983.

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Earlier this year, action on the university proposal was deferred by the board pending further review and interinstitutional consultation. The current University of Iowa proposal differs from its earlier one by raising the eligibility age from 55 to 60 and by imposing an 80 percent ceiling on the appointment during phasing. While indicating that proposals for their institutions might differ from the University of Iowa policy, representatives of Iowa State University and the University of Northern Iowa indicated they had no objection to the University of Iowa proposal.

The Board Office provided the following analysis and recommendations. The Board Office recognized the potential of a phased retirement policy for enhancing the vitality of the university and for promoting flexibility in staffing needed to achieve its mission. It further recognized the potential for self-funding inherent in the university proposal. However, certain aspects of the proposal were subject to question. The Board Office proposal incorporated the essence of the university policy but included several important differences.

<u>University Proposal</u>	<u>Board Office Proposal</u>
Age 60 and 10 years service	Age 60 and 20 years
5-year phasing, 80% maximum appointment first year	No change
Covers faculty, professional and scientific, non-organized merit employees	Covers tenured faculty only
No stated annual limit of participants	Limited to 15 annually to start program
Continuing program	Experimental, ends in 5 years unless extended by board
Incentive compensation during phasing of 10% of full salary for first 4 years plus fringes based on full-time appointment for first 5 years	No change
Approval only by university administrators and employee involved	Same except Regent approval required annually
Employee may not return to full-time appointment	No change
Report to board in 1984	Annual reporting similar to those required for professional development leaves

The Board Office proposal would make phased retirement available only to tenured faculty on a five-year experimental basis. The number of phased retirements would be limited. Twenty years of service would be required instead of ten years. Approval by the board would be required annually for participants in the phased retirement program. The board would receive annual reports from the university on the operation of the program as it now receives annual reports on professional development leaves for faculty. The program would end after five years. At the end of the five-year period, the board would review the program and determine if it should be continued, expanded to other staff, or revised in other ways.

The Board Office noted that the number of faculty members age 60 or older with at least ten years of service as of June 1, 1980, was 119, while the number with twenty years of service or more was 84. These numbers will increase in the future.

The number of faculty retirees has declined while the age of retirement has risen since 1977. This change was apparently caused by extension of the retirement age from 68 to 70. It may be related to the continued high rate of price inflation in recent years.

The Board Office provided the following rationale for its proposed changes:

Restrict proposed program to tenured faculty. The tenured faculty is a unique body of employees having no counterpart in other state agencies and institutions. The vitality of the faculty is critical to the success of the mission of the university. While professional and scientific personnel have many of the characteristics of the faculty and are of major importance to the mission of the university, they do have, in many instances, counterparts in other areas of state government. Moreover, the median age of this group of University of Iowa employees is substantially lower than that of the faculty; therefore, the problem is not as immediate.

Restricting eligibility to tenured faculty (assuming mutual consent of the faculty member and the university and approval of the Board of Regents) would eliminate some potential controversy in other segments of the state government. It would still provide a sufficient base for judging the success of the program.

Action can be taken regarding professional and scientific employees at a later date after the experience of the phased retirement program for tenured faculty can be judged and the need is more imminent for professional and scientific employees.

Inclusion of non-organized merit system employees was not recommended at this time because of the system-wide implications of the proposal and conflict

with existing merit rules. Rule 3.37 states that the merit system pay plan will be uniformly administered at all institutions. Rule 3.39(9), which states that part-time pay will be a pro rata share of full-time pay, also conflicts with the proposal for a salary increment in addition to pro rata pay.

Require twenty years of service instead of ten. While the phased retirement program was proposed because of its potential benefit to the University of Iowa, it does have major potential advantages to the faculty member. This group of faculty with long years of service to the university should be given major consideration for an experimental program in phased retirement. Presumably, more recent decisions on hiring faculty members and granting them tenure have involved consideration of the vitality of the individual. Restriction to those with twenty years of service would avoid problems of a potential exodus of more recently employed tenured faculty. It was recognized that participation in the phased program would be permissible only upon the approval of the university and the Board of Regents. This recommendation would ensure that the program is restricted to the area where the need is probably the greatest. If experience indicates, the board can reduce the years of service required at a later date. Restriction to a smaller group of potential participants would be an appropriate safeguard during the experimental stage.

Limit number of new participants to fifteen per year. This recommendation was made to emphasize that the program is not a right granted to eligible faculty members. If experience indicates, the number of new participants annually could be altered at a later date.

Initiate the program on a five-year experimental basis. The phasing period is five years. The Board Office said it would seem appropriate to state clearly at the outset the fact that the program is experimental. It would reemphasize that there is no vesting of right of the faculty to participate in the program. The board has been told many times that its options are restricted in making changes in programs for existing employees because of the "implied contract theory." A specific terminal date for this program would emphasize the lack of a continuing program, except for those who have already entered into an agreement for phased retirement prior to the terminal date of the program. It is easier to extend a program by express action than it is to end one.

Require approval by the Board of Regents for permission to participate (similar to professional development leaves). This would ensure that the Regents have appropriate oversight of the program during at least the experimental state. Follow-up reports annually evaluating the program would keep the board informed in a timely manner.

The Board Office said the proposed Iowa program (as revised by the Board Office) appeared to be reasonable and in line with the trends in other institutions. Age 60 and twenty years of service appeared to be appropriate for what could be a maximum ten-year phasing period. All extra payments for salary or fringe benefits end during the first five years. Participation

in the program is authorized only by mutual agreement of both the faculty and the university and the approval of the Regents. The proposed "sunset" provision provides a safeguard along with annual review by the Regents. If the program turns out to be successful, the board may wish to expand eligibility to other employees. Other units of Iowa government may utilize the experience gained by the University of Iowa and the Regents.

The Board Office commended the University of Iowa and its Retirement and Insurance Committee for its work in developing its phased retirement proposal. The essence of the plan is incorporated in the Board Office proposal. The Board Office believed its proposal was a prudent and effective approach to exploring what is a sound yet relatively new concept for colleges and universities.

The Board Office recommended approval of the Board Office proposal with the caution that any change in the existing permissible mandatory retirement age that would cause a change in the board policy on mandatory retirement should also be cause for an immediate review of the phased retirement plan.

President Spriestersbach began the discussion on the phased retirement policy. He made five points. The first was that the proposal was designed to provide the university with an opportunity to maintain its vitality as an institution without requiring additional funding to do it.

President Spriestersbach's second point was that the policy would not be an option automatically conferred upon a class of employees. It would provide an opportunity to a class of employees to negotiate a phased retirement. This option would not be approved unless it was in the best interests of the university. He felt that the Board Office was concerned that the program might get out of hand but said it would not be possible for this to happen.

The third point was that the proposal was not a clever device to increase fringe benefits in a time of fiscal limits. The policy was designed in a creative way to allow an employee to negotiate with his or her department a relationship that would serve the interests of the university in view of fiscal restraints.

As his fourth point, he said he did not understand the Board Office's recommendations to add restrictions to the proposed policy. He said this would limit the value of the program to the university.

The fifth point was that the imposition of a sunset provision on the proposal would have a negative effect and complicate the university's ability to plan ahead in regard to its faculty and programs. He said this recommendation implied that the proposal was somewhat sinister and lacking in redeeming value and the experiences of other institutions have these programs are to the contrary. He knew of no university that found it necessary to withdraw from a phased retirement program once it was instituted. He said the university would not resist review of various facets of the program.

Vice President Bezanson said that the university recognized that the proposed policy would have certain implications for the non-organized merit staff that are different from those for the faculty and professional and scientific staff. He said the university agreed it would be appropriate to have further discussion on some of the interinstitutional and extra-interinstitutional implications. However, it was important for the board to recognize that the program was designed for the non-organized merit staff as well as the faculty and professional and scientific staff.

Vice President Bezanson noted that the faculty and professional and scientific staff have traditionally shared similar salary and fringe benefit policies. These two groups are closely aligned in their work and mission. The university's effort is to encompass the faculty and professional and scientific staff and treat them together in the context of this proposal as has been the tradition. He noted that the value of the two groups is similar.

Vice President Bezanson then spoke about the financial flexibility the university believed to be incorporated in the proposal. He said the basic concept of the proposal is one of maximizing opportunities to use resources in a way that will benefit the faculty and the institution.

He said the proposal provides for control over approval of negotiated retirement arrangements to ensure that the financial implications are taken care of in every case.

Vice President Bezanson emphasized that the proposed policy was for a phased retirement. The phasing period is a five-year period and the phasing may take place in different increments. There must be flexibility in this regard because of faculty teaching schedules. These teaching loads may not be capable of being broken down into neat gradations. Over the first four years, the employee will receive a salary supplemented by 10 percent. The employee will receive fringe benefits at the level he or she would have received them as a 100 percent employee. In the fifth year, the employee will be a 50 percent employee and the 10 percent supplement will terminate. Retirement benefits at a 100 percent salary will continue. There will be no opportunity to return to being a 100 percent employee. The employee may continue at the 50 percent level until he or she reaches the point of full retirement.

Assistant Vice President Small noted she had recently attended a meeting of the Association of University Business Officers at which phased retirement was discussed. The principal report was from Ohio Wesleyan where the program was begun with faculty only. That school now plans to include the

professional and scientific staff in its program. Ms. Small said that each of the schools reporting seemed to find there was enthusiasm for participation in phased retirement programs and that the use of their resources was greatly enhanced. In tenured-in departments it becomes possible to replace a faculty member with someone who has a new specialization needed by the department. Some schools found this to be a program which they hope to expand rather than contract.

President Brownlee asked if the university administration would find it difficult to negotiate retirement arrangements with faculty members. Vice President Bezanson responded that one of the reasons for this method was that the university wants to approach the phased retirement program cautiously. He pointed out that, in his judgment, there was little reason for apprehension.

Vice President Bezanson said the university felt it would be better to begin a program that does not confer an absolute right to a faculty member but one that provides an opportunity for a department and faculty member to structure a phased retirement program that is fiscally sound and responsive to the needs of the department and the faculty member. He noted that the arrangement would be subject to review and approval by the university administration.

He said the policy was not being reduced to a specific formula because individual cases will differ. He gave an example of how circumstances could differ in the Colleges of Law and Medicine. He said the university did not want to hamstring the nature of phased retirement and wanted to recognize the diverse sets of circumstances within faculty groups.

In answer to President Brownlee's concern that such negotiation would be difficult and that selection of people for the program could cause hurt feelings, Vice President Bezanson said that people would not be picked on grounds unrelated to the purpose of the program.

President Priestersbach said the phased retirement program was comparable to the developmental assignments program. On the average, a faculty member may expect a faculty developmental leave every five years. However, this is not an absolute right and not everyone may get to do this on time because of departmental needs that must be met. He said program considerations are made first and then other details are worked out.

In regard to the Board Office's recommendation to limit the number of new phased retirements to 15 per year, Vice President Bezanson said this would complicate the selection process. Instead of having perhaps 20 different opportunities of interest to the university and individuals the university would have to select 15 of those. At this point it would no longer be a retirement program and there would be legal and political implications. He said a limit would be a difficult additional factor and the university would have serious reservations about it.

President Spriestersbach said this was not really a "selection" process. The negotiations would begin at the departmental level. The department executive would then decide whether a phased retirement would suit the department's need and carry it up through the review process. The arrangements would not originate with the vice president and it would not be a competition.

President Brownlee asked if the university felt it would be wise to restrict the phased retirement policy to non-organized merit system employees. Vice President Bezanson said the university recognized the broad implications of this aspect of the policy and that deferral on the portion of the policy relating to non-organized merit employees would be appropriate. He noted that the university wanted the board to know its intentions to include this group of employees in the policy.

Regent McDonald said the proposed policy had some desirable objectives but that it should be approached more cautiously by basing it on 20 years of service rather than 10 years of service. Vice President Bezanson said the program was structured in a way that would allow the university to move into it gradually. He said that if the board felt 20 years of service would be more prudent, the university would respect that judgement.

In answer to a question from Regent McDonald, Vice President Bezanson said that during the phased retirement period fringe benefits would be continued at the full level. Regent McDonald said this was a considerable subsidy. Vice President Bezanson said that incentives used in existing plans at other academic institutions are much more generous than the one proposed. From a fiscal point of view, those institutions feel the programs are more than paying for themselves.

Vice President Moll said only three fringe benefits would be affected because they are salary related. These would be TIAA-CREF, life insurance, and disability. The cost of health insurance would not be affected because it is the same whether a person has 50 percent or 100 percent employment and is not salary related. He thought the primary difference would be in TIAA-CREF. President Brownlee disagreed. He said the amount of the work product would be significant. If the university is paying for a certain amount of work and gets half that product, the dollars must be spread over the work product. The number of dollars will not increase.

Regent McDonald noted that flexibility in the program would be achieved through percentage arrangements. He asked if there would be problems in finding someone for a half-year commitment with the same quality as the retiring faculty member. Vice President Bezanson pointed out that the university is accustomed to dealing with this situation because of faculty going on visits or on leave through funded research.

He said ordinarily when a person achieves phased retirement, half of that person's budget line would be used to hire a full-time beginning assistant professor or a full-time professional and scientific employee at the beginning of the pay scale. He noted that many people reach the age of 60 and do not want to continue working full time but would like to continue with the university. That person would be phased to half time and a new person would be hired using the rest of the budget line in effect yielding 1 1/2 people.

Regent Anderson said she strongly supports the concept of phased retirement but was very concerned about the selectivity and subjectivity of the proposed plan. She said if retirements depend upon negotiation and subjective terms, there is really not an opportunity for all people for phased retirement. Vice President Bezanson said this opportunity would be available to everyone. In every case there will be a way for that person to phase to 50 percent time in a way that is attractive to the individual as well as the institution. The negotiated arrangement must be consistent with departmental and university fiscal concerns. He said each employee reaching the age of 60 would have an opportunity to structure a phased retirement. However, the university does not want to be in the position of having to agree to any given plan which could be fiscally troublesome to the university. The university must reserve the right to send the parties back to the negotiation table to restructure the plan.

Vice President Bezanson explained that a policy was not being established in advance that there are any specific people for whom it would be improbable to arrange a phased retirement.

Regent Anderson asked if there could be a situation in which a person might want to do this but couldn't because it would not be advantageous for the university. Vice President Bezanson said it would be possible that a person might want to enter into phased retirement only on certain terms which would not be beneficial to the university. It would be possible that person would not want to renegotiate. He said it was the university's intention to provide phased retirement to everyone that requests it as long as they come to an agreement with the department that meets the objectives of the department. President Brownlee noted that Regent Anderson's objections were to the essence of the proposed policy.

In answer to another question from Regent Anderson about the subjective determination of participation in the proposed program, Vice President Bezanson said it would be legal. He noted that the university would use discretion in these decisions as it does for hiring, awarding of tenure, promotions, etc.

Regent Neu noted that there could be departments top heavy with tenured faculty in which the university wanted to make some room. He said this could determine whether an arrangement is negotiated and would also have legal implications. Vice President Bezanson said the proposed program is based on the notion that the proposals for negotiation will come up from the faculty and departments. It is not a means to force employees into retirement or to force departments into situations that are unworkable. The proposed program is intended to achieve important objectives in a mutually agreeable fashion. He said plans like this do exist and that they do not have legal problems.

Regent McDonald suggested restricting the program to tenured persons. Vice President Bezanson said that at age 60 most faculty would be tenured although there are some faculty not on a tenure track appointment. He said this was not of major importance.

In regard to the Board Office recommendation to exclude the professional and scientific staff from the program, President Sprestersbach said that this group is skewed more to a young age and special circumstances. Many of them are hospital employees who work there for a short time. These individuals would not qualify for the phased retirement program. The professional and scientific faculty that do occupy positions of significant responsibility and are comparable to faculty are interested in the proposal. The faculty on the University Retirement and Insurance Committee and university administration support the inclusion of the professional and scientific staff in the phased retirement program.

President Spriestersbach said that since the proposed policy was a new venture, the university would not object to action not being taken at this meeting if the board wanted clarification.

In regard to the Board Office's recommendation that the board have more oversight of the program, Vice President Bezanson said the university would raise no objection to that.

Regent Murphy noted that one of the important aspects of the proposed program appeared to be flexibility. She asked if most schools have this flexibility. Assistant Vice President Small said that many schools simply pay people to retire. An element of the University of Iowa's proposal requiring more negotiation is that it would continue people for part of their appointment. One of the essential elements of the program would be that the arrangements would be initiated by the faculty or staff member and not by the institution. This is a mode of operation with which the university is familiar.

Regent Wenstrand thought the flexibility would be an advantage to the university and did not object to the program. He said he recognized that over time the faculty and professional and scientific personnel have become closer in function and that the two groups are becoming more similar. However, he said the faculty is a unique group in the state and in society and he would support starting the phased retirement program with that group. If it is successful, arrangements could be made for including the professional and scientific staff at a later time.

Regent Wenstrand added that he would support the program on the basis of 20 years of service. He said he would be willing to give the university more flexibility by either increasing the limit of the number in the program or eliminating the limit.

Having heard this discussion, Regent Neu suggested deferring action on this issue until December. Vice President Bezanson said if the board deferred action, it would be helpful if it would provide some parameters for the Board Office and institution to use in continued discussion of the proposal.

MOTION:

Mr. Neu moved that the board defer action on the University of Iowa proposal for phased retirement and direct the Board Office and institution to continue discussion and narrow the areas of disagreement. Dr. Harris seconded the motion.

Regent Neu said he hoped this would not take too long. President Brownlee said this could be discussed in December if work is completed.

In answer to Vice President Bezanson's request for guidelines for continued discussion, President Brownlee pointed out the differences outlined by the Board Office. He said he would like to see some specific examples of how the program would work and how it would benefit the university. He noted that there is bunching from the bottom to the top of the scale for faculty members. Older, distinguished faculty members are paid more than junior faculty members and he was interested in seeing how the program would work when the scale is compressed.

President Brownlee added that he was concerned that the board have more oversight than was outlined in the university proposal.

Regent Anderson repeated that her concern was that faculty members be able to know what to expect in terms of retirement and how an individual is treated. Mr. Richey noted that Regent Anderson's concern could change the very foundation of the program from a phased retirement policy. He said if the proposal were amended to reflect her concerns it would be a retirement system at a given age completely at the employees' discretion. He said it must be emphasized that the proposed program is completely at the discretion of the university and the Board of Regents and is not a vested employee right. He said it is a program for the benefit of the university and every decision made should pass that test and only that test. Regent Anderson said she had a semantic problem with calling it a retirement program and would like to have this problem explored.

Regent Jorgensen said she understood the benefits of the program but also had concerns about the amount of board control and review of the plan. She felt the board should have real control over it.

President Brownlee said the idea of some limits could not be completely discounted.



## IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, November 18.

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

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

### Appointment:

Donna L. Cowan as assistant dean of Home Economics, professor of Home Economics Education, and chair of the Department of Home Economics Studies. Term as chair is effective May 1, 1982, through June 30, 1987. Salary is \$41,500.

### MOTION:

Mr. Nolting moved that the board approve the appointment of Donna L. Cowan.  
Mr. McDonald seconded the motion and it passed unanimously.

CABLE TV - INSTALLATION IN UNIVERSITY HOUSING. It was recommended that the board authorize Iowa State University to enter into a letter of agreement with Heritage Cablevision subject to review and approval by the executive secretary.

The Board Office noted that in September the board approved the development of a formal agreement with Heritage Cablevision Company for installation of cable television in the married student housing area with the understanding that the formal agreement is subject to review and approval by the executive secretary.

Certain changes in approach have occurred since September. It was not proposed to amend the previous action of the board even though the institution requested approval of a letter of understanding between Iowa State University and Heritage Cablevision.

The institution reported difficulty in reaching a mutually satisfactory agreement with Heritage Cablevision and the city of Ames. A major concern was the disposition of franchise fees under the city ordinance previously adopted. The institution had previously estimated that the franchise fees at 3 percent of gross revenue would amount to about \$1,500.

The institution now proposed a letter of agreement between Iowa State University and Heritage Cablevision which would allow cable TV service to occupants of the university's student apartment complex by means of separate agreements between individual tenants and Heritage Cablevision. The major change from the September proposal would be to forego the 3 percent of gross revenue received by Heritage Cablevision.

The Board Office said the Regents and the institution should be fully protected in any letter of agreement. It should include specific language regarding liability, code compliance, safety and protection of both adults and children, restoration of university property, testing and maintenance of quality, and records of cable locations.

The Board Office indicated it had not had time to review the implications of the proposed letter of agreement. The Board Office recommended that the agreement be approved in concept by the board with the understanding that the details of the letter of agreement would be worked out by Iowa State University and the Board Office to include language to protect the board's interest in every respect.

Vice President Madden noted that this topic was discussed in September. It turned out to be difficult to negotiate a three-party agreement because of a city ordinance dealing with franchises for national company operations. He noted that the amount of money involved at this time is very small.

He said this proposed agreement would allow students to subscribe individually to the cable system if they choose to do so. The university would not administrate this but would approve the method of installation. Vice President Madden noted that Heritage Cablevision is anxious to accomplish some of the installation before the weather prevents them from burying cable.

Vice President Madden said the university had no objections to the Board Office recommendation to approve the concept of a letter of agreement and work out the the details and safeguards in the agreement with the Board Office.

In answer to Regent McDonald's question, Vice President Madden said the current rate for cable television is \$8.95 per month. It is possible to add options such as Home Box Office which could increase the cost to as much as \$30-\$40 a month.

Vice President Madden said the university has no financial investment in this arrangement. In answer to a question from Regent Neu he said he did not know if Heritage Cablevision would collect the 3 percent franchise fee because that is a matter between the city of Ames and Heritage.

MOTION:

Mrs. Jorgensen moved that the board authorize Iowa State University to enter into a letter of agreement with Heritage Cablevision subject to review and approval by the executive secretary. Mr. Nolting 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 21 through November 18, 1981, had been received, was in order, and was recommended for approval.

There were no construction contract awards or recommendations.

The university submitted final reports on eight projects. The Board Office said the reports were all in order and recommended them for approval.

The board was requested to approve the following new project:

Heating Plant - Oil Storage Building

Source of Funds: Overhead Reimbursement for Use of Facilities \$15,000.00

The project involves construction of a pre-engineered building of approximately 480 square feet to house heating plant lubricating oil supply. The Board Office asked the university to indicate what alternative arrangements it has made for storage of its oil until the new storage building is constructed. It was noted that the present storage of this oil within the heating plant creates a serious fire hazard.

Vice President Madden said the university would continue to do what it has been doing to store this oil. He agreed with the Board Office's concern about fire hazards but said there was no other storage alternative until this project is completed. He said the oil is presently stored as safely as possible under present conditions and that the university was desirous of taking corrective action.

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

Engineering Annex - Remodel Second Floor

The university requested approval of payment of \$2,000 to architects Rudi/Lee/Dreyer & Associates, Ames, for additional services performed at the request of the owner on this project. These additional services increase the maximum total compensation on the contract from \$54,000 to \$56,000. This is a \$757,500 project.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for the period of October 21 through November 18, 1981; approve the final reports; approve the new project; approve the consultant contract payment; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

PUBLIC HEARING - FRILEY HALL RENOVATION - PHASE III. It was recommended that the board receive the report of the public hearing on Friley Hall Renovations - Phase III held Monday, November 9; receive in written form the objections raised at that hearing by Jack Burn & Associates, Inc., Waukee, Iowa; and affirm Iowa State University's position that Jack Burn & Associates, Inc., not be prequalified as a qualified mechanical contractor for this project.

The Board Office gave the following background information. In May the university reported its intent to initiate planning of the third phase of the Friley Hall Renovation project. The project will have construction work commencing in March 1982. Phase III must be completed by August 21, 1982, because of contractual obligations for rooms. This construction period, due to changing to a semester calendar, is approximately three weeks shorter than that afforded to the contractor of the first two phases and the university expressed deep concern over completion of the project within the time available, especially since the first two phases were not completed on time.

The university proposed following a somewhat unconventional approach to project procurement. The first part of the approach was the hiring of a construction manager, James Thompson & Sons, Inc., Ames, Iowa. The second part was a procedure to prequalify bidders. This process was to help ensure that successful bidders were capable of managing a specialty area with work to be coordinated under the direction of the construction manager. The primary criteria used for evaluating bidders were essentially aimed at certifying the bidder's ability as evidenced by past performance on similar projects, to complete proposed contract work within the time available.

A notice of public hearing and a notice to bidders were published October 12 and October 19. Those notices clearly stated that

...because of the foregoing time constraints, the owner will issue bidding documents to and consider bids from only those firms that successfully prequalify for such consideration. Successful prequalification will be based principally on the presentation of conclusive evidence of a proven record of timely and satisfactory performance on similar projects and current capability to perform the specified work within the specified time.

Prequalification forms were required to be filled out and returned to the construction manager by October 23.

A public hearing was held on Monday, November 9, at which time any interested person was given the opportunity to file a protest against the plans and specifications, form of contract, or cost of said project, or to appeal unsuccessful application for prequalification. Mr. Jack Burn, President of Jack Burn and Associates, appeared to appeal the rejection of his company's application for prequalification.

The university noted that eight firms made application for prequalification of Bid Package #9, Mechanical Construction. The applications of two firms were not approved based on their failure to meet the criteria set forth in the notice to bidders. Jack Burn & Associates, Inc., is a newly formed firm with no record of performance given in the prequalification statement. For those reasons, the university did not change its decision as a result of the public hearing.

The Board Office recommended that the board uphold the action of Iowa State University and not prequalify Jack Burn & Associates, Inc., for bidding on the Friley Hall Renovation project.

The Board Office said that to prequalify Jack Burns & Associates would essentially render useless the prequalification process. As stated by the university, reversal of the decision would be unfair to other firms that did not apply for prequalification because they knew they could not comply with the proven record of performance provisions of the prequalification criteria.

The Board Office pointed out that the university encouraged Mr. Burn to bid future university projects not requiring prequalification based on past performance. Mr. Burn was also assured that his failure to prequalify for this particular project would in no way affect the university's consideration of his firm as a bidder on future projects.

Mr. McMurray directed the board's attention to material submitted by Mr. Burn and distributed to the board. The material stated the firm's qualifications to perform the mechanical portion of the contract and listed a number of projects on which Mr. Burn worked as project manager while employed by other mechanical contractors. Mr. McMurray pointed out that the new firm, Jack Burn & Associates, Inc., has no prior experience of its own on this kind of job.

Vice President Moore said the university decided not to prequalify Jack Burn & Associates, Inc. not because of any belief that the firm is inept or inadequate but because of the residence hall situation. If the work is not completed by the opening of the school year, a number of students will be unable to live in the residence hall.

He noted that the current issue was whether or not the prequalification requirement was a valid one.

MOTION:

Mr. Nolting moved that the board receive the report of the public hearing on Friley Hall Renovations - Phase III held Monday, November 9; receive in written form the objections raised at that hearing by Jack Burn & Associates, Inc., Waukee, Iowa; and affirm Iowa State University's position that Jack Burn & Associates, Inc., not be prequalified as a qualified mechanical contractor for the above project. Mr. Neu seconded the motion and it passed unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, November 18, 1981.

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

CHANGE IN NAME OF THE DEPARTMENT OF MATHEMATICS. It was recommended that the board refer the request to change the name of the Department of Mathematics to the Department of Mathematics and Computer Science at the University of Northern Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendations.

The university felt that the new title would be more descriptive of the departmental curriculum. It was noted that the board recently approved a major in Computer Science in the department. The university indicated there were no program or budgetary consequences to the proposed change.

The request to change the Name of the Department of Mathematics to the Department of Mathematics and Computer Science at the University of Northern Iowa was referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the period of October 10 through November 6, 1981, had been received, was in order, and was recommended for approval.

The board was requested to ratify executive secretary award of the following construction contracts:

Steam Distribution System Improvements - 1981 - Divisions 1, 2, & 3 -  
Miscellaneous Steam Piping Projects

Award to: Hurst Excavating, Inc., Waterloo, Iowa \$135,316.00

Fire Safety Corrections - Phase II - Academic Buildings - Mechanical/Electrical

Award to: Stickfort Electric, Cedar Falls, Iowa \$167,126.00

Energy Management Program, 1981-83 - Energy Retrofit for Seven Buildings,  
Non-Control

Award to: Argabright Plumbing and Heating, Hudson, Iowa \$167,000.00

On the latter award, the apparent low bidder failed to submit specified EEO information with the bid. This irregularity was waived since the specified EEO information was submitted prior to award of contract and because the bidder was already on file with the Compliance Officer due to past work performed at Board of Regent institutions.

The university also submitted for approval a revised project description and budget for the Energy Management Program - 1981. This program, budgeted at \$1,025,000 funded from 1981 academic revenue bondings, has had the first two contracts awarded. These were for a central control system and seven building control retrofit and the aforementioned seven building non-control retrofit. Future contracts to be awarded are for both control and non-control retrofit portions of 28 remaining campus buildings on which energy audits have been conducted. In addition, the revised budget showed a cost estimate for renovation of the Shops Area to house the central control computer as well as the current state of installation of meters for all buildings in which retrofit work occurs so that future savings can be more readily identified. Similar update budgets will be submitted as this project progresses through the remaining contracts.

The board was requested to approve final reports:

The register contained final reports on four projects, three of which were completed and one that was abandoned due to inadequate funding in the Building Repairs account. The Board Office said the final reports were in order.

The board was requested to approve the following new project:

Sabin/Seerley - Common Well Water System

Source of Funds: Building Repairs \$ 27,000.00

This project will install a common well water system which will be used for air conditioning in two buildings in lieu of using the two existing cooling towers and chillers, which are more expensive to maintain and operate. The bid amount, part of the aforementioned Energy Management contract, produces a payback period of 3.4 years when considering energy only. The university noted that the well system is very desirable from a maintenance standpoint and the university proposed to finance the project in part with Building Repairs funds. Total cost of the project is \$92,000. The prorated maintenance related construction costs are \$27,000 of this amount. The remainder of the project will be funded from the Energy project budget.

The board was requested to ratify the following consultant contracts:

Old Administration Animal Laboratory - HVAC Improvements

Ratify selection of Gilmor & Doyle Engineers, Waterloo, Iowa, to provide professional services to conduct and prepare a feasibility study to determine the appropriate method to improve/replace the HVAC system in the Animal Laboratory in the Old Administration Building. The payment shall be on hourly rates to a maximum fee of \$840.

Gilchrist Hall - Air Conditioning Improvements

Ratify selection of Gilmor & Doyle Engineers, Waterloo, Iowa, to conduct and prepare a feasibility study to determine the appropriate method to improve/replace the air conditioning system in Gilchrist Hall. Services shall be provided on an hourly rate basis to a maximum fee of \$1,800.

Fire Alarm System Improvements (Fire Safety Deficiency Corrections)

Ratify selection of Gilmor & Doyle Engineers, Waterloo, Iowa, to conduct and prepare a feasibility study for fire alarm system improvements. The improvements to be considered will provide for the interconnections/ interfacing of fire alarm systems in 35 academic buildings with the automated centralized control system. Reimbursement will be at an hourly rate to a maximum fee of \$7,800.

The Board Office noted that this contract would replace the approval granted at the September meeting for the University of Northern Iowa to negotiate a design agreement with Durrant Engineers to prepare plans and specifications for the fire alarm system improvements portion of the overall fire safety deficiencies project. At that time, it was indicated that the university intended to draft a single agreement with Durrant Engineers for both the control and non-control retrofit of 28 buildings on Energy management and for the fire alarm system improvements project, as the two projects were interrelated. The Board Office said the above action, plus two listed below, negated the need for prior action.

Energy Management Program - 1981

Approve two addenda to the Durrant Engineers' design agreement on energy management dated March 14, 1980. The first addendum provides for consulting engineering services required in connection with four energy conservation non-control subprojects listed in Durrant's 28-building study accepted by the board in September. Other non-control subprojects will be accomplished by the university's Engineering Department or by another consultant, as in the best interest of the state. Construction costs for the four subprojects involved is estimated at \$27,400. The fee to Durrant would be a lump sum payment of \$2,000 which is approximately 7 percent of the construction budget.

The second addendum would provide for consulting engineering services required in connection with 12 energy conservation control subprojects listed in the 28-building study. This work would complete the energy conservation control efforts to be undertaken from the 1981 funding.

The university will try to negotiate a contract change order to its current contract with MCC Powers for control-type equipment. If negotiations are unsuccessful costwise, the university will proceed to take bids on the work.

The Durrant contract addendum calls for an hourly rate fee to a maximum of \$15,000 which is 7.7 percent of the estimated construction cost for this work of \$194,000.

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

Approve payment of \$3,117.35 to Jensen Consulting Engineers, Inc., Cedar Falls, Iowa, for additional services requested by the university which were outside the scope of the original design agreement.

MOTION:

Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for the period of October 10 through November 6, 1981; ratify award of construction contracts by the executive secretary; approve the revised budget; approve the final reports; approve the new project; ratify and approve action on the consultant contracts; and authorize the executive secretary to sign all necessary documents. Mr. Nolting seconded the motion and it passed unanimously.

REPORT ON FIRE SAFETY CORRECTION PROJECT - ACADEMIC BUILDINGS. The Board Office explained that the State Fire Marshal inspected academic buildings at each university in 1979 and 1980. The first institution to formulate a request was the University of Northern Iowa and the 1980 Legislature appropriated \$500,000 to meet initial needs at the university. Most of the contract work on Phase I has been completed and the physical plant work is about 60 percent complete. A total of \$71,355 remains to be committed in Phase I and the university indicated committal by March 1982.

Phase II, funded through sale of academic revenue bonds in July 1981, will complete the fire safety deficiencies correction program for the University of Northern Iowa as far as the 1979 inspection. The amount allocated to this purpose was \$825,000. First bids for mechanical and electrical items were awarded this month. The university indicated that \$210,000 has been committed with the bulk of the remaining \$615,000 to be committed by March 1982.

The State Fire Marshal made a second inspection at the university in August in what apparently will be a biennial inspection cycle. In October the university received the report and is analyzing it. There may be additional items which will require funding by the state in the 1983-85 biennium. The Board Office said, however, that the most urgent problems should have been discovered and corrected after the 1979 inspection.

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The board received the Report on Fire Safety Correction Project - Academic Buildings by general consent.

SPECIAL SECURITY OFFICER. The board was asked to approve the commissioning of Mr. Duane Domer as permanent special security officer at the University of Northern Iowa.

Mr. Domer received his certification by attending the twenty-ninth Basic Training Session at the Iowa Law Enforcement Academy.

The commissioning of Duane Domer as permanent special security officer at the University of Northern Iowa was approved by general consent of the board.

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

## IOWA SCHOOL FOR THE DEAF

The following business pertaining to Iowa School for the Deaf was transacted on Wednesday, November 18, 1981.

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

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no transactions on the Register of Capital Improvement Business Transactions for October 1981.

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

## IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, November 18, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for September 20 to October 31, 1981, were ratified by general consent of the board.

ANNUAL REPORT, 1980-81. It was recommended that the board:

1. Accept the Iowa Braille and Sight Saving School Annual Report for 1980-81 and
2. Establish a procedure that the annual reports for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf will be submitted each fall and will report on activities, operations, and outcomes of the past year.

The Board Office noted that the Iowa Braille and Sight Saving School submitted its report for the 1980-81 year in accordance with recommendations approved by the board in July 1978. The report provides a summary of activities and highlights accomplishments through narrative, pictorial, and graphic presentations.

The school noted that 1980-81 was the first full year in which it functioned as a state resource center for services to visually impaired children and youths. As a resource center, it provided liaison services and media services throughout the state. Other sections of the document note the school's continued accreditation, enrollment reports, facility improvements, capital projects, and a first-time annual financial report.

The Board Office recommended acceptance of the report and commended the institution on its preparation of an informative and useful document. It also recommended that future reports include a much greater emphasis on academic programs, curricula, and the accomplishments of students.

The Board Office further recommended that future annual reports for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf be submitted each fall and that they include information on the schools' operations, activities, and program outcomes for the prior year. Currently each institution is expected to prepare two reports: one retrospective and one concerning the current situation and future plans. Each institution also prepared a long-range plan every two years. The Board Office felt this approach to be duplicative and confusing. The recommendation for annual reports grew out of the recommendations of the Regents'

Interinstitutional Governance Committee on the Iowa School for the Deaf and the Iowa Braille and Sight Saving School approved by the board in July 1978. The fall annual report of each school will be supplemented by biennial planning documents which will present detailed plans for future years. This combination of reports should provide the board with useful reviews and projections on a regular basis but should still avoid unnecessary duplication of reports.

Mr. Richey said that if the board received the reports as recommended by the Board Office, it would receive good information once a year to use in making program decisions. Every second year there would be a comprehensive academic seminar. He noted that new governance procedures for Iowa Braille and Sight Saving School and the Iowa School for the Deaf were adopted a few years ago and said the recommendation was an attempt to fine tune the procedures used.

Superintendent Giangreco asked for clarification on this. He said that the Iowa School for the Deaf submitted an annual report to its Advisory Committee in October and was told to hold it until June. Mr. Richey said if there were any problems with the Board Office recommendation they could be addressed in December. He thought the recommendations had been prepared in consultation with the superintendents. Superintendent Giangreco said he would prepare the reports in any manner directed but he wanted further clarification. Superintendent DeMott said he did not object to the recommendations as long as it is clear what is expected in the reports. Mr. Richey said there would be enough elaboration on this to avoid any misunderstanding.

MOTION:

Dr. Harris moved that the board accept the Iowa Braille and Sight Saving School Annual Report for 1980-81 and establish a procedure that the annual reports for the Iowa Braille and Sight Saving School and the Iowa School for the Deaf will be submitted each fall and will report on activities, operations, and outcomes of the past year. Mrs. Jorgensen seconded the motion and it passed unanimously.

The Iowa Braille and Sight Saving School Annual Report is on file in the Board Office.

**POLICIES AND PROCEDURES ON DISCIPLINE.** It was recommended that the board approve the proposed policies and procedures on discipline at the Iowa Braille and Sight Saving School.

The Board Office explained that the school was proposing to adopt policies and procedures on discipline. These policies and procedures were reviewed by the Iowa Braille and Sight Saving School Advisory Committee and the comments and concerns raised by the committee were considered by the school.

The adopt of these procedures would set in place written policies by the school regarding the administration of discipline.

Superintendent DeMott explained that the reason for the proposed policies and procedures was that it is necessary to provide guidelines and direction for employees because there are instances in which discipline is a necessary part of the education and care of students. The procedure contained in the student-parent handbook implied there would be a due process procedure for every minor infraction. He said this was an unwieldy situation because it becomes necessary to await the arrival of the parent and for a hearing to take place before any disciplinary action can be taken. Superintendent DeMott said the proposed policy would indicate minor instances in which the staff could take action.

In answer to President Brownlee's inquiry, Superintendent DeMott said the proposed procedure would be explained to the parents.

Regent Neu asked about a section of the proposed policy on corporal punishment and aversive therapy. He noted that one of the criteria for this type of discipline was that "The punishment and its duration, frequency and method of application are placed in writing and communicated to the student and parent or legal guardian." He asked if this notification would take place in advance of or subsequent to the punishment. Superintendent DeMott said this would take place prior to the punishment. Regent Neu said that was good.

MOTION:

Mrs. Jorgensen moved that the board approve the proposed policies and procedures on discipline at the Iowa Braille and Sight Saving School. Mr. Nolting seconded the motion and it passed unanimously.

The proposed policies appear on the following pages.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

Proposed  
Policies and Procedures on Discipline

- I. School and dormitory rules as well as policies and procedures for discipline should be clearly communicated to staff and students.
  - A. General and Special Rules (Staff Expectations of Students) should be listed and posted in each resident area.
  - B. Rules and Lists of Expectations as written should be reviewed orally with students.
  - C. Policies and Procedures for Discipline should be posted.
  - D. Policies and Procedures for Discipline should be reviewed orally with students.
- II. Policy on Discipline: Routine Discipline involving minor infraction of rules or inappropriate conduct which are not serious enough to report to the supervisor or administrator and whose consequences involve only minimal control or time are considered routine and can normally be handled by houseparents, faculty or other related professional staff. Violation of Rules or Regulations or conduct considered sufficiently serious by a teacher or houseparent to report the violation to his or her supervisor, or whose consequences exceed an hour in duration or involve significant confinement or restriction in activity are considered violations sufficient to follow formal Due Process Procedures.
- III. Policy on Corporal Punishment and Aversive Therapy: Except under extreme circumstances and under carefully controlled conditions it is the policy of this school that no employee shall administer corporal punishment or aversive therapy. Under no circumstances shall a houseparent, school aide, paraprofessional or employee without professional license or certificate administer corporal punishment.
  - A. Corporal punishment may be administered by the supervising administrator (Superintendent, Director of Education, Director of Student/Home Services) only under the following circumstances:
    1. In the judgment of two or more certified or licensed professionals corporal punishment is warranted and would be effective,
    2. The punishment is not used in lieu of and will not interfere with appropriate educational intervention,
    3. The punishment and its duration, frequency and method of application are placed in writing and communicated to the student and parent or legal guardian,

Iowa Braille and Sight Saving School  
Proposed  
Policies and Procedures on Discipline

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- III. A. 4. The school has written consent for use of the punishment from parent or legal guardian.
5. An incident report must be filed with the Superintendent whenever corporal punishment is administered.
- B. Properly licensed or certified professional staff may administer aversive therapy only under the following conditions:
1. There is documented evidence that other forms of therapy or behavior intervention are not effective,
  2. The program of aversive therapy is developed by a properly licensed or certified professional (e.g., psychologist, psychiatrist),
  3. The program is developed by and supervised by properly licensed or certified professional employees of IBSSS and professional(s) of at least one other agency, and
  4. The program is developed with the knowledge and consent of parents or legal guardians and the school has in its possession a signed consent from parents or legal guardian.
  5. As a part of aversive therapy a record of intervention and progress must be maintained.

IV. Procedures for Routine Discipline:

- A. The first infraction or misbehavior should receive a verbal warning. (A behavior that is repeated several times within a few minutes would be considered a single infraction.)
1. Verbally direct the students to stop the inappropriate behavior,
  2. Warn the student of potential consequences if the behavior continues.
- B. If the behavior continues or is repeated (occurs again within the same day or in a day or two) implement appropriate consequences.
1. Verbally inform the student of the unacceptable behavior and the resulting consequences,

Iowa Braille and Sight Saving School  
Proposed  
Policies and Procedures on Discipline

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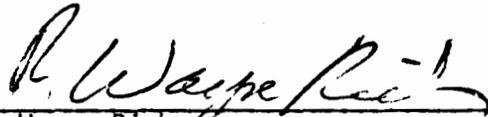
- IV. B. 2. Implement the consequences for a specific period of time. (Note: The consequences should normally not exceed a few minutes and should not unduly restrict the activities of the student. Confinement to his/her room or a time-out chair for three to five minutes may be appropriate.)
- C. If the unacceptable behavior continues following implementation of the consequences, interferes with administration of the consequences or is repeated again within a few hours or days, the consequences may be repeated or extended.
1. Verbally inform the student of the inappropriate behavior, warn him/her against continuing such behavior and inform him/her of the consequences.
  2. Repeat, extend or increase the consequences. (Note: Confinement to his/her room or sitting on a time-out chair for ten or fifteen minutes may be appropriate.)
  3. Verbally warn the student of further disciplinary action if the behavior reoccurs.
- D. If the behavior continues, or is repeated within a few hours or days, the appropriate supervisor should be contacted and Due Process for Student Discipline of Minor or Major Violations should be implemented.
- V. Procedures for use of restraint:
- A. If the behavior presents a physical threat to him/herself, another or property, physical control (restraint) may be necessary.
  - B. An incident report must be filed with the supervising administrator whenever physical control is administered.

IOWA BRAILLE AND SIGHT SAVING SCHOOL  
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REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. There were no transactions on the Register of Capital Improvements Business Transactions for October 1981.

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

The meeting of the State Board of Regents adjourned at 4:25 p.m. on Wednesday, November 18, 1981.



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R. Wayne Richey  
Executive Secretary