The State Board of Regents met on Wednesday, November 19 and Thursday, November 20, 1986, at the State University of Iowa. The following were in attendance:

### Members of State Board of Regents

<table>
<thead>
<tr>
<th>Name</th>
<th>November 19</th>
<th>November 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. McDonald, President</td>
<td>Excused</td>
<td>Excused</td>
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<tr>
<td>Dr. Harris</td>
<td>All sessions</td>
<td>All sessions</td>
</tr>
<tr>
<td>Mrs. Anderson</td>
<td>All sessions</td>
<td>Ar. 9:30 a.m.</td>
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<tr>
<td>Mr. Duchen</td>
<td>All sessions</td>
<td>All sessions</td>
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<tr>
<td>Mrs. Murphy</td>
<td>All sessions</td>
<td>All sessions</td>
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<tr>
<td>Mr. VanGilst</td>
<td>All sessions</td>
<td>All sessions</td>
</tr>
<tr>
<td>Mr. Greig</td>
<td>Ar. 11:45 a.m.</td>
<td>All sessions</td>
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<tr>
<td>Mr. Tyler</td>
<td>All sessions</td>
<td>All sessions</td>
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<tr>
<td>Miss VanEkeren</td>
<td>All sessions</td>
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### Office of the State Board of Regents

<table>
<thead>
<tr>
<th>Position</th>
<th>November 19</th>
<th>November 20</th>
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<tbody>
<tr>
<td>Executive Secretary Richey</td>
<td>Ar. 10:15 a.m.</td>
<td>All sessions</td>
</tr>
<tr>
<td>Director Barak</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
</tr>
<tr>
<td>Director Maxwell</td>
<td>Ar. 10:15 a.m.</td>
<td>All sessions</td>
</tr>
<tr>
<td>Director True</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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<tr>
<td>Director Wright</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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<tr>
<td>Assoc. Dir. Runner</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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<tr>
<td>Assoc. Dir. Stanley</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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<tr>
<td>Asst. Dir. Peters</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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<tr>
<td>Minutes Secretary Burn</td>
<td>Ar. 3:00 p.m.</td>
<td>All sessions</td>
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### State University of Iowa

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<thead>
<tr>
<th>Position</th>
<th>November 19</th>
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<tbody>
<tr>
<td>President Freedman</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Vice President Ellis</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Vice President Remington</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Associate Vice President Small</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Asst. to President Mears</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Asst. to Vice President Davis</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Director Stork</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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<tr>
<td>Director Bauer</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 2:45 p.m.</td>
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### Iowa State University

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<thead>
<tr>
<th>Position</th>
<th>November 19</th>
<th>November 20</th>
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<tbody>
<tr>
<td>President Eaton</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:45 p.m.</td>
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<tr>
<td>Executive Vice President McCandless</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:45 p.m.</td>
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<tr>
<td>Vice President Christensen</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:45 p.m.</td>
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<tr>
<td>Vice President Madden</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:45 p.m.</td>
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<tr>
<td>Assistant to President Crawford</td>
<td>Ar. 3:00 p.m.</td>
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<tr>
<td>Director Lendt</td>
<td>Ar. 3:00 p.m.</td>
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### University of Northern Iowa

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<thead>
<tr>
<th>Position</th>
<th>November 19</th>
<th>November 20</th>
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<tbody>
<tr>
<td>President Curris</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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<tr>
<td>Provost Martin</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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<tr>
<td>Vice President Conner</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
</tr>
<tr>
<td>Vice President Follon</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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<tr>
<td>Asst. to President Voldseth</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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<tr>
<td>Director Chilcott</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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<tr>
<td>Director Stinchfield</td>
<td>Ar. 3:00 p.m.</td>
<td>Exc. 1:55 p.m.</td>
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### Iowa School for the Deaf

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<thead>
<tr>
<th>Position</th>
<th>November 19</th>
<th>November 20</th>
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<tbody>
<tr>
<td>Superintendent Giangreco</td>
<td>All sessions</td>
<td>Exc. 1:48 p.m.</td>
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<tr>
<td>Business Manager Kuehnhold</td>
<td>All sessions</td>
<td>Exc. 1:48 p.m.</td>
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### Iowa Braille and Sight Saving School

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<thead>
<tr>
<th>Position</th>
<th>November 19</th>
<th>November 20</th>
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</thead>
<tbody>
<tr>
<td>Superintendent DeMott</td>
<td>Exc. 11:55 a.m.</td>
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<tr>
<td>Business Manager Berry</td>
<td>All sessions</td>
<td>Exc. 1:50 p.m.</td>
</tr>
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The following business pertaining to general or miscellaneous business was transacted on Wednesday, November 19, and Thursday, November 20, 1986.

In the absence of President McDonald, who had been excused as he was currently out of the country, Regent Harris presided.

**IOWA SCHOOL FOR THE DEAF ACADEMIC PLANNING SEMINAR.** Mr. Richey stated the budget requests for Fiscal Year 1988 and beyond would be reviewed later during the meeting. He complimented Superintendent Giangreco and his staff for the courageous leadership in formulation of the budget. He noted the purpose of the seminar was to talk about current and future programs at the school and other expectations outside of the budget although the budget would be implied throughout the discussion. He indicated a summary of the long-range plan had not been prepared by the Board Office. The preparation was delayed in his office because he felt it should be a different kind of report rather than a routine recitation of what was in the report. It would encapsulate the program direction set out for the school, and the board would be able to specifically direct attention to that at the December meeting. He stated the long range plans would be on the agenda for the next three months in terms of discussing directions for all of the institutions and establishing the board's views in the record as to what the missions should be and what program initiatives should be undertaken. He said the last two planning presentations from the Iowa School for the Deaf and the Iowa Braille and Sight Savings School would be heard during the meeting, but the real consideration of what the plans mean to the Regent institutions would be handled in the next two or three months.

Superintendent Giangreco stated he would take a different approach in the presentation of the long range plan than had been done in the past. He said he brought different pieces of equipment used by the students and staff at the school in the educational process. He noted the plant at the school was in good shape. He said the academic program was well set and to the satisfaction of the advisory committee. He stated he appreciated the assistance of the three universities in getting it in place. He proposed to walk through with the board what has been happening. He has been talking to various groups such as the Rotary about the changes that are taking place at the school. The staff had prepared a 12 minute overview showing what has happened to the quality of life for the deaf, which was used during his presentations. The greatest change that has taken place is that after one hundred years the telephone has become an accessible instrument to the deaf through TDD's. Deaf people are now able to call each other. Portable units are now available that they can hook up to any telephone. This is an
especially great help to parents in alleviating their anxieties about their deaf children.

Acting President Harris asked what the costs were for these units. Superintendent Giangreco informed the board that the cheapest one is selling for $160. Special rates are being offered to the students by Northwestern Bell Company. He explained that messages come across on a printed screen or on tapes. There are about 350 of these units throughout the state. They are now located in all offices at the school and in the dormitories so that parents can now call their children. They are able to call Washington and the Statehouse, which helps to make life more normal for them.

Acting President Harris asked if there was an organization that would donate these units to those students who could not afford them.

Superintendent Giangreco stated that at the present time no organization was available in Iowa except the Lions.

Acting President Harris asked if the Iowa Association for the Deaf had been approached with regard to making units available.

The reply was that at the present time the Association did not provide units but did publish the directory. All of the children have been taught how to use the units through the academic program at the school. It does use a typewriter keyboard. When Western Union phased out a number of their teletype machines they modified them for use by the deaf. He invited the board to take a look at the machines currently on display in the room. He stated the machines would offer a new quality of life for the deaf. He explained there are flashing lights that tell them when someone is calling. He noted these advances had aided the deaf elderly in functioning in a hearing society.

Superintendent Giangreco introduced Dr. Netusil from Iowa State University who was Chairman of the Advisory Committee. With the development of a vaccine for rubella, Dr. Netusil stated that modern medicine has cut by one-half the cases of deaf. The cochlear implant technique done at the State University of Iowa is a very new and exciting process and we should be proud of the work being done at the University Hospital. He felt badly that the newspapers in their publicity about this new procedure focused on a patient from Utah who had come for this surgery rather than one of the Iowa School for the Deaf's teachers who had also had the surgery. He noted she had been deaf nearly her whole life and was beginning to hear. Initially, candidates for this procedure had to be 18 years of age and been able to hear at one time in their life, but now they were looking at younger people who had been deaf since birth. To date there have been 30 of these operations performed.

Superintendent Giangreco then focused his remarks on deaf education and what had been happening nationwide. He noted that Gallaudet College, which is a federally supported college for the deaf, had been mandated to accept 15
percent hearing students. The first class would be admitted in the Fall of 1987. He stated the University of California at Northridge had a Ph.D. from the University of Iowa last year. He stated Congress had set up a 12-member (7 deaf and 5 hearing) commission to examine deaf education in the country over the next two years. He noted the board should follow the work of this commission very closely. He quoted statistics from Illinois which indicated that students in a deaf high school in Chicago where 80 percent of the students drop out before graduation. Of the 20 percent who finish high school, 80 percent of them go on the welfare rolls.

Regent Tyler asked what was the reason for the 20 percent going on welfare.

Superintendent Giangreco stated he felt that something had failed in the system. He noted that some received federal assistance due to their handicaps.

Regent Anderson asked if the high school was a residential school or day school. Superintendent Giangreco stated it was a day school.

Superintendent Giangreco presented the following statistics on enrollments in deaf schools in the midwest:

<table>
<thead>
<tr>
<th>Enrollments</th>
<th>1985-86</th>
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<tbody>
<tr>
<td>Iowa</td>
<td>160</td>
<td>130</td>
</tr>
<tr>
<td>Kansas</td>
<td>210</td>
<td>202</td>
</tr>
<tr>
<td>Missouri</td>
<td>214</td>
<td>188</td>
</tr>
<tr>
<td>Nebraska</td>
<td>93</td>
<td>87</td>
</tr>
<tr>
<td>North Dakota</td>
<td>60</td>
<td>51</td>
</tr>
<tr>
<td>Minnesota</td>
<td>142</td>
<td>134</td>
</tr>
<tr>
<td>Illinois</td>
<td>250</td>
<td>210</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>200</td>
<td>172</td>
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<table>
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<tr>
<th>Per Capita Costs</th>
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<tbody>
<tr>
<td>Iowa</td>
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<tr>
<td>South Dakota</td>
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<tr>
<td>Kansas</td>
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<td>Illinois</td>
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<td>Wisconsin</td>
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Regent Harris asked if these were residential schools.

Superintendent Giangreco indicated they were all residential schools.
Regent Duchen inquired why there were declining enrollments. Superintendent Giangreco stated that enrollments had gone down since the development of the rubella vaccine and also because of the economy. People have lost their jobs and moved out of the state in an attempt to secure employment elsewhere, but he noted some were starting to come back.

Regent Duchen then asked the question if expectant mothers on drugs was producing deafness in their offspring. Acting President Harris stated he was not familiar with these particular statistics but feels that it could be a major concern. Superintendent Giangreco stated drugs were a cause of multiple handicapped births.

Regent Anderson commented that the number of premature births has increased and inquired if deafness would be one of the problems to watch for in these births. Superintendent Giangreco stated that it was a definite possibility. They know there are a lot of multiple handicapped represented in these births.

Regent Anderson asked if that increase would eventually come to Iowa School for the Deaf. Superintendent Giangreco stated they were watching the statistics.

Regent Anderson stated the board had looked at figures concerning the cost of the residential deaf program. She noted that any consideration of the future of deaf education by any responsible group would have to include the figure on the cost of educating the deaf in the public schools and also some indication of what was happening to the deaf students. She said the board was operating in a vacuum when it discussed deaf education related just to the Iowa School for the Deaf. She asked where and how the board could get a handle on the total cost of educating the deaf in the state and comparative cost by the public and residential programs.

Superintendent Giangreco stated those questions had been discussed by the Advisory Committee.

Mr. Richey stated a logical source would be the State Department of Education. He said they would work with the department to see what could be done.

Regent Anderson stated the board was being called upon to make decisions about the future of the Iowa School for the Deaf, and it needed that kind of information.

Regent Tyler asked what was the reason such information was not available to the board.

Mr. Hines, principal of the junior and senior high schools, stated that perhaps the statistics were not available.
Acting President Harris asked if such information was protected by the Buckley Amendment. Mr. Richey indicated it was not.

Regent Tyler asked for an update on the possibility of a merger of the Iowa and Nebraska schools.

Superintendent Giangreco stated with the decrease in the numbers of high school students, regionalization was being talked about.

Mr. Richey stated they were in the very preliminary phase of studying the possible areas that the Iowa School for the Deaf could provide to Nebraska. They are studying the specific Nebraska needs and looking at what the Iowa school could offer in program areas and facilities, what kind of oversight was required to assure the continuation of a quality program, and the possibility of a monetary exchange. He noted the study would be presented to the board as well as to Nebraska officials.

Regent Tyler asked if the study was moving forward.

Mr. Richey stated the first of the study was supposed to be completed by December 5.

Regent VanGilst asked if the AEA's were doing more than they were a year ago to retain the students in the local communities.

Mr. Hines stated there were a few more in the programs throughout the state, but he did not know the actual numbers.

Regent VanGilst asked how many were profoundly deaf.

Mr. Hines stated they did not really know. He said he thought Cedar Rapids and Davenport did have profoundly deaf in the upper and lower elementary grades. He said the Iowa School for the Deaf was getting new students in junior high and high school. He noted that the AEA's had an impact but did not know specific numbers.

Superintendent Giangreco stated the biggest problem was the socialization factor.

Regent Anderson asked if the school was involved in any way in the determination of each individual student. The law states that each student must be educated in the least restricted environment for that student. She asked who made the determination and to what extent the Iowa School for the Deaf staff was involved.

Mr. Hines stated they are involved in the staffings of all hearing impaired students in the state. He said they do not review all of them outside of the school's own students. It was very time consuming to go throughout all the
areas of the state, and the school did not have staff to handle the total number.

Regent Anderson asked if the school was informed of the AEA’s staffings. Mr. Hines stated they were supposed to be. Superintendent Giangreco stated they know about most of them. He noted that many times the parents indicate they do not want the child to leave the home school district.

Regent Anderson asked if the school was confident that all parents of hearing impaired students knew of the option and possibilities of the Iowa School for the Deaf.

Mr. Hines noted they entered a student this fall whose parents had not previously known about the school.

Regent Anderson asked how a person could be in the state and not know about the school for the deaf.

Superintendent Giangreco stated their program was totally exposed. He said the school’s parent consultant would go into communities and talk with parents of the hearing impaired and then the school would get criticized for recruiting from the local schools.

Regent Tyler asked if the AEA’s informed the school of how many students or potential students there were in a specific area.

Mr. Hines said the school was not informed.

Regent Tyler asked why since the school was supposed to be involved.

Mr. Richey stated there were two things that were part of the problem. One was philosophy -- institutionalized versus non-institutionalized. He said there were many people, given the federal law, who believe wholly in the least restricted setting for education. The other aspect is money. The money follows the students.

Regent Tyler stated he could accept that, but not as a good reason for not having the information.

Regent Duchen felt that some parents had an actual fear or serious reservations about having their children sent off to school rather than keeping them at home. They might not be doing the child the best service but are thinking of themselves rather than the child. Superintendent Giangreco stated that was sometimes the case. He said they liked to show the parents the programs offered and what they are doing for the students at the Iowa School for the Deaf and what the alumni are doing.

Regent Anderson stated no child was sent to the school. It was strictly voluntary.
Regent Duchen inquired what the board could do to educate the public and help remove some of the anxiety and fear.

Mr. Richey stated he felt the school was doing about as good a job as it could in getting out and letting the parents know what the school had to offer and talking with individual students. He said the real solution was to work with the Department of Education and the AEA's as a group to get a better system of information and assessment of the students so that the decision of the placement of the student is based more on educational welfare of the child rather than some ideology of least restrictive setting or just monetary considerations. He said the board had to renew its efforts once again. He said a major advance had been made about seven years ago with the agreement. He said the basic agreement was good in concept but that the board needed to make sure it was executed.

Regent Anderson stated the board needed the total picture of deaf education and asked if official action by the board would facilitate obtaining the necessary information.

Mr. Richey stated the meeting had been convened as an official session.

Acting President Harris stated that it seems that the cooperation today in 1986 is less between the Iowa School for the Deaf and the Area Education Agencies (AEA) than it was five or six years ago.

Superintendent Giangreco stated he could not say that and felt that they had a good relationship with the AEA. He noted if anything the cooperation between them has been strengthened.

Regent Duchen stated that he felt that consideration should be given for an appropriate time during 1987 to have a one-day seminar someplace in the state, wherever it is appropriate, with some outstanding professionals invited, and invite parents who might be interested in hearing more about the different kinds of problems and ways the school can help alleviate those problems, and even if it didn't produce one student it would let the public know what the Iowa School for the Deaf was doing for the deaf student. He said he felt there were many people in the state who do not know that the school even exists.

Acting President Harris stated that was done some years ago. He noted the problem was that it was only done once.

Regent VanGilst felt the board should contact the Department of Education and find out why figures are not available. Maybe there is a way they can be made available. He stated he did not feel a motion was necessary.

Mr. Richey stated when the agreement was developed, we met with the directors of special education of the AEA's and that was a major contributing factor to better relationships and better communication in the whole process. He said
there was no question that the Department of Education should be contacted first. He said he respected the department's relationship to the AEA's. He said it would be helpful for the board to take an official action because there was quite a bit of respect for the board.

Acting President Harris indicated a motion would be in order.

**MOTION:** Mrs. Anderson moved that for the purpose of the board's need for information in making future decisions concerning the Iowa School for the Deaf, the Board Office be directed to work with the Department of Education and the Area Education Agencies to elicit all of the information concerning the deaf in Iowa. Mr. Tyler seconded the motion.

Superintendent Giangreco stated television had also added to the quality of life for the deaf. He noted there was now about 100 hours of prime television available to the deaf through the use of the decoder which also improves their reading ability. He noted that size of hearing aids had changed dramatically and their technology was greatly improved. He showed the board examples of various kinds of hearing aids.

Superintendent Giangreco concluded by saying that some of the deaf children in the public schools were having problems with socialization and some were traveling great distances to attend public schools. He indicated that regionalization and cooperating with other states was a major consideration. He stated that Council Bluffs sat in a very strategic location with good roads, access to Amtrack and air transportation. He noted other states were willing to start looking at regionalization. He indicated the school may have to follow the lead of Gallaudet and admit hearing students, especially the siblings of the deaf children. He said the school needs to start with the adult deaf. He noted they were working with Iowa Western Community College, but they needed to do more. He said there needed to be more community involvement as well as statewide and nationwide involvement. He said there needed to be more public relations without the public thinking they were recruiting students.

Regent VanGilst asked how that could be done.

Superintendent Giangreco said he did not know. He said he had tried, but it did not work. He said that Nebraska had gone out and gotten the children because it was the best thing to do. He noted that Kansas and Missouri residential school enrollments were up because there were no AEA's in those states.

Regent Murphy stated the answer was to increase the school's visibility not recruiting. She stated she had been asked about the Nebraska approach during
a hearing by the legislature's Education Committee, and she did not know how to answer the question.

Superintendent Giangreco stated the program had just started last year, and he would hear more about it at an upcoming meeting with Nebraska deaf educators.

Regent Duchen asked what the board should look for in a replacement for the superintendent.

Superintendent Giangreco stated the selection committee had done a fine job. He said a person with strengths in dealing with the public, an understanding of the residential school today and tomorrow, and also someone who can deal with a governing board.

Regent Duchen asked Superintendent Giangreco how he would scale the technical skills versus the administrative ability.

Superintendent Giangreco indicated there should be a balance.

A video presentation showing the various facilities at the Iowa School for the Deaf was shown to the board.

Acting President Harris thanked Superintendent Giangreco and the staff who had contributed the presentation.

IOWA BRAILLE AND SIGHT SAVING SCHOOL ACADEMIC PLANNING SEMINAR. Mr. Richey stated that the board members had the materials on the long range plan before them. He said coincident with that plan they had been working since last April on a plan for the future for the institution. He said they had been unable to develop that because of lack of information from the school, which was critical to the school in terms of the board's decision about its future. He stated board members may want to consider the long range plan in terms of budget request covered in a separate docket item.

Superintendent DeMott thanked the board for the opportunity to present the results on the long range planning process. He had asked six members of the professional staff to present the core of the plan.

Mark Wilberg, industrial arts teacher at the school, explained the work experience program. He took the board members on a non-visual tour in an attempt to put them in the place of a blind student and what the student is confronted with each day in a sightless world. The main objectives are to develop a comprehensive, individualized vocational and work experience program for every student, preschool through secondary; to develop a larger variety of work placements; and to develop work sites in students' home communities for summer employment. To help the students it is important to first develop the necessary skills to make them ready for employment. To do
this they must develop good social and personal skills, sound work habits and realistic vocational expectations. Many of them lose their jobs because they do not possess the necessary social skills. By providing three levels of skills it allows for training in an atmosphere where mistakes can be made without fear of being fired. Other essential elements are to provide job shadowing experiences, give short-term work exploration for two or three weeks, and non-paid work exploration for a 12-week maximum; give non-paid vocational training, and place on a part time job for pay. We need to develop more work sites. The home communities should be used for summer work. Sixty to seventy percent of the visually impaired are not working and we need to concentrate on this.

Regent VanGilst felt that earning a living was half of it and inquired about teaching socialization.

Mr. Wilberg said they had techniques of daily living teachers. Regent Duchen asked Mr. Wilberg how long he had been at the school, to which Mr. Wilberg responded 17 years.

Regent Duchen asked how the students were helped to improve their skills.

Mr. Wilberg stated he got students who had never worked with power tools. They are not familiar with the different jobs off campus and don't always know what is going on in the world. The school tries to find them jobs that they are interested in and tries to broaden their horizons.

Regent Duchen asked where a person like Mr. Wilberg would go to improve his own knowledge and skills and was informed that Mr. Wilberg had started 17 years ago and has since received 30 credits in special education and in teaching. He also attends seminars in order to keep up with what is new.

Mr. Wilberg stated that they have seven students placed in jobs. They don't start placing them in off campus jobs until they reach the age of 16. Regent Anderson asked if all 16 year old students participated.

Mr. Wilberg indicated most of them do, but some were attending public school.

Regent Anderson asked what percentage attended college and Mr. Wilberg said out of recent graduating class of six, one went to college.

Phyllis Forgy, dormitory liaison and social worker, discussed transition services. The goal of the program is to increase the proportion of students who are successfully placed in adequate employment and community living environments. She stated it is difficult for the students to cope with changes. Parents are concerned about what their children will do after they have completed school. Where will they live, what are the financial worries, do they need additional schooling, are all questions in the minds of the parents. These problems become complicated when the student is visually impaired. This is an overwhelming process for parents. They want to know if
there is a college with specialized equipment, who will hire them, how do you get the child into a group home. Dealing with the issues is postponed. There is a high unemployment rate among handicapped individuals. Plans need to be established on how to make the transition into the outside world for employment. Parents also need to be educated.

Regent Anderson asked how many students Ms. Forgy would be working with at one time and what level were they.

Ms. Forgy replied that this is the first year of the program. They began with the graduating seniors and those who would be graduating within the next two years. The Iowa Commission for the Blind helps to follow through once the student has graduated.

Regent Anderson asked if there was a system to follow-up on and support the students.

Ms. Forgy stated such a plan was in a state of development and so far there was a very good operating system.

Mary Ann Lindeman, speech teacher and parent education/home visitation teacher, stated that the goal of this program is to help students become independent adults by using the skills learned at school in their homes, and to help staff and parents better determine student needs and plan for the future by working with the students and parents in their homes. There are often many behavioral problems when students go home for the weekends. A teacher and a psychologist have gone home with some of the students and attempted to offer support and help to the parents. These parents now feel they can cope with the child for the entire weekend and feel they now have the support of the school behind them when they need help. They have been able to train the parents to handle the behavioral problems of the children. The staff also helps with medical appointments. They talk to the doctors before the students get there in order to make the visit a more pleasant one for the student. The school also teaches the students to prepare food and meals. Parents are taught to reorganize their kitchens and enable the students to be able to cook and get around in the kitchen when they return home for visits. Staff members go into the homes and offer assistance here also. During the month of June eleven staff members visited 26 homes. Meetings were held with the parents and staff before the visits. Parent education through home visits has been more beneficial than anticipated. It's been a help to the student, parent, and staff. It has helped to strengthen the skills of the student outside of the school and make them as self-sufficient as possible.

Regent Duchen asked what the students were doing to cause problems at home.

Ms. Lindeman reiterated a few instances of behavioral problems experienced by the parents and stated that the parents needed to know ways to divert these behavioral patterns. They needed support.
Regent Murphy inquired as to how often meetings were held at the school for the entire staff. Ms. Lindeman stated the whole staff met every other week, but some staff met daily to discuss specific students.

Regent Murphy asked who made the decision as to who will visit the homes. Ms. Lindeman stated the person who does the most good at it is sent.

Regent Anderson wanted to know what happens to the students over the summer. Ms. Lindeman explained that the developmental students come back for a portion of the summer. Regent Anderson asked who takes care of these students whose parents are working. Ms. Lindeman stated that some of them go to community activities and sometimes they are encouraged to find a babysitter.

Regent Anderson asked if the students regressed over the summer. Ms. Lindeman stated the biggest problem was with the multiple handicapped students.

Regent Anderson asked what percentage of students are in the summer program and was informed that there were 35 Iowa Braille and Sight Saving School students and 30 from the public schools.

Superintendent DeMott stated that the number of students coming to the summer program ranges from 30 to 40.

Regent Duchen asked if emotional stability was a serious problem and if there was appropriate on-going services for children and parents. He asked if any were put on medication. Ms. Lindeman stated she did not feel any of the students were emotionally disruptive. She indicated there may be some behavioral problems.

Lou Ann Langstraat, mobility teacher and consultant to the local AEA’s, spoke with regard to orientation and mobility training. Their goal is to provide orientation and mobility services to all visually handicapped children and youth of school age. Students need to know where they are in space, where the objective place is, and how to get to their objective. The students need to have a knowledge of themselves first. They need to know how to get from place to place. They need to know how to use needed aids for safe travel. They need to learn how to protect themselves.

Ms. Langstraat felt there is a major need for students in the state of Iowa. There are only four orientation and mobility teachers in the state and one is at the Iowa Braille and Sight Saving School. She stated there are 225 students who are only visually impaired in the state and that this does not reflect the number who are multiply impaired. She noted it took from 80-200 hours to properly instruct a child in orientation and mobility. Many students are not being served adequately.
Regent Anderson stated that with 225 students in the state who are only visually impaired, yet only 20 are at the school. She asked if others rotated through the program. Ms. Langstraat indicated some did.

Regent Anderson asked if it would be fair to say a substantial number would benefit from some portion of residence at Iowa Braille and Sight Saving School.

Ms. Langstraat indicated they probably would but most would not need it long term.

Regent Tyler stated that Ms. Langstraat seemed to have a problem with numbers and yet only a small number are helped by the school. He wondered why the balance were not receiving the training.

Ms. Langstraat stated that some come to the summer school sessions but part of the problem might be that the general vision teachers in the AEA's are concentrating on the academic programs.

Regent Tyler asked who determines the setting in which they are going to receive the help. Ms. Langstraat stated, again it was the philosophy.

Regent VanGilst wanted to know if in the AEA's were the parents aware of the Iowa Braille and Sight Saving School, to which Ms. Langstraat responded some are and some are not. Some students have come to the school in their later years of high school and stated they hadn't known about the school.

Mary Beth Young, Director of Student Home Services, stated the goal of community integration was to develop each student's ability to function successfully in community settings and to provide community integration experiences for realistic practice of skills. The students must first learn acceptable social behavior. They take the students out into the community to shop for personal items. They take them to visit with families in the community and attend many of the community activities. In order for the program to be successful, a good number of support people must make things happen. Support people are needed for a successful experience to happen. The positive aspects must be measured. Students must first feel good about themselves. They must build self-confidence. Decision making and problem solving are key aspects. A handicapped person who has lost a job has usually done so because of lack of community integration skills.

Regent Murphy asked Ms. Young if she participated in any of the budget discussion in the formulation of the plan, to which Ms. Young stated the staff participated in the formulation of the long range plan.

Regent Murphy asked Ms. Young about her participation in the budget and Ms. Young indicated she participated to some extent, but not much.
Regent Anderson asked Ms. Young if she believed the community was very supportive of the school and was informed that the community is very supportive. There is a lot of give and take between the school and the community. She felt there was a good relationship between the community and the school.

Regent Anderson stated one of her concerns had been a total misconception of the board’s support of the school in the community.

Ms. Young stated the community had been concerned about the consolidation issue.

Regent Anderson asked Ms. Young if she understood the board was in support of the school.

Ms. Young stated she could not speak for the community.

Allan Koenig, Coordinator of Resource Services, spoke next with regard to Preschool Services. He stated the goal was to make educational services available to all visually handicapped children of preschool age. These services are offered to children and their parents in their home or local school in cooperation with their area education agency. Infant and preschool years are the most crucial time to lay cornerstones. Special needs can be assessed by providing central clearing house.

Regent Anderson asked Mr. Koenig if most of his time was spent with AEA’s.

Mr. Koenig said that was correct.

Regent Anderson asked what portion of the budget went to support AEA’s.

Mr. Koenig said nearly 100 percent of his time was spent coordinating resources and providing such service to the AEA’s. He said he had no direct responsibility at the school.

Regent Anderson asked if that was identified in terms of budgetary considerations.

Business Manager Berry stated part of the process was to redefine that in the cost of resource services. He noted, in the present budget, the answer was no.

Superintendent DeMott returned to the podium.

Regent Murphy asked in the development of the long range plan if Superintendent DeMott had taken into consideration the budget preparation along with the staff and if he approached the advisory committee in the planning process.
Superintendent DeMott stated he met with the committee two or three times a year.

Regent Murphy asked when was the last meeting and if Superintendent DeMott had consulted with the committee concerning the long range plan and the budget.

Superintendent DeMott stated that the budget had not been a consideration of the committee. He indicated the committee looked at programs and evaluation of those programs and most recently in the areas of reaccreditation.

Regent Murphy asked if the long range plan had been developed in conjunction with the budget.

Superintendent DeMott indicated that it had been along with input by various constituencies. He said one of the recommendations made by the advisory committee was to look at ways to make the services more understood and available and to make institutes available for teachers. He said the budget attempted to reflect the long range plan in terms of priorities and the amount of money it would take. He said the preliminary budget was prepared from input by the various departments and areas in the school.

Regent Murphy asked when the budget got to the Board Office.

Superintendent DeMott stated the initial budget request was at the September board meeting. He said a preliminary request had been submitted prior to that meeting. He said subsequently they were asked to go back in and look again at the budget and revise whatever they could. He said a revised budget was submitted for the October meeting.

Director Barak stated the Iowa School for the Deaf Advisory Committee had met this fall. He said that Superintendent DeMott was contacted concerning a scheduled meeting of the Iowa Braille and Sight Saving School Advisory Committee and had indicated there were no items for the agenda and the meeting was cancelled.

Regent VanGilst asked Superintendent DeMott was his relationship was with the Commission for the Blind particularly in the areas of library and the exchange program.

Superintendent DeMott stated the school’s working relationship with the Commission for the Blind had been developing over the last several years. He said it had been approached from several different areas starting with the library services.

Regent VanGilst stated the school cooperated with the Vinton public school system and asked if the public school counted the blind students in the funding formula.
Superintendent DeMott stated he did not know whether they did or not.

Director Barak stated the blind students were not counted in the school aid formula for the Vinton public school system.

Regent Murphy asked why Superintendent DeMott had not had any contact with the advisory committee for the last six or seven months.

Superintendent DeMott indicated he would not say he was not going to the committee for advice. He said he saw the role of the committee as advisory to the school, and he did not know if the consultant on the committee had been named. He said when he was asked about the meeting, it was with respect to agenda items; and he did not recall if the planning document in its final form was available to present to the committee. He said he would not withhold working with the advisory committee in terms of the planning document.

Mr. Richey referred to his preliminary remarks and recalled in the discussion in the docket item concerning the budgets of the special schools that he had noted the Iowa School for the Deaf had worked closely with the Board Office in developing a long range budget plan and recommendations to reflect the changing circumstances of the school. He pointed out Superintendent DeMott had not. He recalled the action of the board in April of this year to review the programs and operations of each special school. He said on June 12 the Board Office submitted a time table for preparation of the budget which was to include a comprehensive long range facilities plan. He noted that information had not been received.

Mr. Richey stated he had requested the information Regent Anderson had mentioned with respect to the cost of outreach services and also had been unable to get it. He said he and Board Office staff members had gone to the school to meet with Superintendent DeMott in a direct meeting to try to get from him the information which had been requested.

Mr. Richey noted the "Program and Funding Levels: 1988 Options" (Regent Harris referred board members to page 15 of the planning document.) outlined in the long range planning document of the school. He said within those levels outlined there were many kinds of "proposed reductions", and he had indicated to Superintendent DeMott there was no way the Board Office could make a recommendation to the board unless it knew the effect of each of the items listed. The information which was furnished did not fulfill the request of the Board Office. He stated he had the Board Office staff attempt to arrange a meeting to get additional information, and Superintendent DeMott indicated he was unable to meet in Des Moines during the remainder of November because he did not feel he could spend a full day away from the school. Mr. Richey stated such a reaction to a professional effort to try to respond to the board's directive left him extremely frustrated.
When asked for comment by Acting President Harris, Superintendent DeMott replied that it was difficult to comment under the circumstances. In terms of the request in June, he stated he did in fact respond at some length. He stated he gave a detailed response in terms of suggestions that had been made by the consultants at the time they were in Vinton. He did that in writing. In terms of the items that were in the initial request, he looked at each item and assigned responsibilities so that the responses would be completed in a timely fashion. With respect to the budgeting process, what he attempted to do was to differentiate between that portion of the budget which was his request and that which was information and in terms of identifying for a long range planning process what they attempted to do was simply indicate what were program priorities that would be reflected in the budget or reductions if there were reductions or increases. He said he would like to differentiate between what the school had been trying to do as a budget and what it has been trying to do as a planning process. The planning process was more encompassing and talked about options that might be made immediately or in the future. He said there wasn’t an attempt to detail all those options below the line that they would recommend for funding. He stated he attempted to respond in the detail requested for those items which corresponded to his budget request. He stated he was chagrined and disappointed that this was being interpreted as withholding information or not participating in the process. He said he felt he had provided the information requested. He said one thing in providing information is whether or not the level of his request is agreed upon. He said he expected that he and Mr. Richey were at some distance on what they would recommend. He said he tried to reiterate what the request level was and tried to give all the detail that they could. He said they have tried to respond responsibly to reflect the program.

Regent Duchen stated he had asked for information concerning the costs of the medical facility at the school and had not received it.

Business Manager Berry stated that had been sent to the Board Office.

Mr. Richey stated he had no recollection of receiving it. He said he did not expect that at any time in the process that Superintendent DeMott would necessarily agree with respect to the downsizing operation, but he hoped that some element of agreement would come out of it. He stated he knew there could be honest differences of opinion. He stated the fact was that the information requested was absolutely necessary for him to make a decision with respect to a recommendation. The information had been specifically requested on several occasions. He said Superintendent DeMott’s response was inaccurate and misleading which was a mild reaction.

Regent Anderson asked Superintendent DeMott if the information provided to the board on proposed downsizing and possible reduction had been seriously presented as the proposed effects of downsizing.
Superintendent DeMott stated that was requested after they submitted the upper level of the program.

Regent Anderson stated what Mr. Richey was referring to was that there was no identification of the cost within the levels.

Superintendent DeMott stated he had not attempted to go through the entire institution point by point.

Regent Anderson stated she was looking at this almost like Superintendent DeMott were playing a joke on the board. She said the board would never support eliminating a whole program without identification of the costs of the individual program elements.

Superintendent DeMott said that was a matter of detail and that costs could be broken down several different ways. He said it could be done by person or any other amount of detail. He said he did not recall a specific request for such specific information. He said he tried to break it down into meaningful elements within the budget request. He said if that was being asked then they would need to go back and make those determinations which would be quite an undertaking.

Regent Anderson asked Superintendent DeMott if there was some explanation for his not responding to the requests made by Mr. Richey concerning the budget. She asked if there was a lack of understanding on the part of Superintendent DeMott.

Superintendent DeMott stated what he had wanted to do was to indicate clearly without a question what the school's funding request was without giving the total detail. He said those items that were under the request would encompass everything else left at the school and would be a rather comprehensive undertaking. He said the real question was what was really being asked for. He said it had not been clear as to what degree of specificity was desired. He said he did not want all that information to confuse his budget request.

Mr. Richey stated Director True had attended the same meeting and heard the requests that were made repeatedly during a two-hour meeting which was followed by another two-hour meeting with a legislator who had requested a meeting with Mr. Richey. The purpose of the meeting with the legislator was to discuss the conduct of the Board of Regents with Superintendent DeMott. He said, in order for the board to hear from someone who was at the meeting, he would ask Mr. True to delineate the kinds of information requested on October 28.

Director True stated there had never been any statement that the school provide proposals down to liquidating the school. He indicated one of the concerns with the school was the business related functions. He indicated there were two business related positions, and there should only be one. A
letter from Superintendent DeMott had indicated support, but in the budget presented, the consolidation of the two positions was not included.

Mr. Richey asked what specific requests were made at the October 28 meeting.

Director True stated a list of people considered as budgeted in the outreach program was received as well as about three paragraphs on the elimination of the summer session. He said the greatest emphasis was placed on the aggregation of different programs in a decision package. He said the format for the information requested was transmitted by telecopier to the school. The request asked for specific costs and programmatic impact. He indicated the last major point concerned facilities. The Iowa School for the Deaf made a number of facility proposals, and nothing was received from the Braille School. The facilities request also concerned rental space. It was asked to consider whether or not renting space was done at a cost to the school when utilities, maintenance and other costs were taken into account.

Mr. Richey stated the essential information requested was the effect of each of the proposals, which was critical, because no responsible person would recommend the deletion of one of the items without knowing the effect.

Superintendent DeMott stated there was a difference in what they were attempting to do and what was being perceived. He said in terms of the budget process, they had concentrated on providing information on the elements within his budget request.

Mr. Richey stated that was the information which was being withheld. He said the board had decided in April that the school would remain in Vinton as a long-term viable institution. He said the whole purpose of the approach was to return stability to that institution in Vinton, and the fact was that the information requested was essential to make the evaluation that could lead the board to those conclusions for the future of the institution and its future stability. By withholding that information, there has been a real disservice done to the institution, its employees, and the students. He said it was necessary for the board to decide what the level of support should be.

Regent Murphy stated the apparent lack of communication between the board and the school really distressed her. It was also distressing that Superintendent DeMott refused to meet with the board's executive secretary.

Superintendent DeMott stated he had offered three other alternatives to a meeting date. He indicated he was attempting to be the Director of Education which tied him closely to the campus. He said when he left the campus, there were impacts in that program.

Regent Murphy stated if she were the superintendent of the school, meeting with the board's staff would be her number one priority.

Superintendent DeMott stated there had been numerous telephone calls.
Mr. Richey stated the fact was that they had not gotten the requested information. He said the meeting they were trying to set up was to follow the November board meeting in preparation for the December docket. He said he would certainly go to Vinton in December.

Regent VanEkeren stated she was confused in that the members of the Board Office staff went to Vinton to meet with Superintendent DeMott, but he could not find the time to go to Des Moines to meet with the staff.

Mr. Richey stated the request came on Monday of last week, and it was clear there would need to be another meeting. He said he was trying to accommodate and recognize Superintendent DeMott's schedule. He said it was very difficult to contact Superintendent DeMott by telephone because sometimes it took him 24 hours to return a call.

Superintendent DeMott stated they would try to have the information that was requested available on December 1 or 2 but would appreciate clarification as to what was wanted.

Regent Anderson stated she had difficulty understanding why Superintendent DeMott did not understand the budget process. She noted all of the other institutions had complied. She said what the board wanted to know was what he as superintendent felt could realistically be cut. She said she felt that he was not trying to understand what the need was. She said that he must understand what the board's position was and the way the board worked was for the institutional heads to set down with the Board Office so that the Board Office could give recommendations to the board. She said if the school had not provided that kind of information, it put the board at a tremendous disadvantage. She said she found it totally unbelievable that he had attended board meetings for those years and he was not clear in the terms of the board's relationships and expectations. She said it should be clear what the board needed to make decisions. She said she expected the institutional heads to cooperate fully with the Board Office so that it can in turn provide the board with recommendations. She noted the board did not always accept the recommendations of the staff, and it had always had contrary information available from the institutions.

Superintendent DeMott stated he thought they were complying.

Regent Tyler stated the executive secretary had said this was an official board meeting. Acting President Harris confirmed that the board was in official session.

Regent Tyler stated the school's budget proposals included funds for the Director of Education. The board president had denied the request earlier, and the superintendent appealed the decision. He noted the president's decision was affirmed by the full board, but the position was still part of the budget. He went on to say that in April the board received a report recommendation of the consultants that 17 positions could be reduced and on
June 12, the Board Office corresponded with the school that a time table was needed to implement those recommendations. He stated the request also included the submission of a comprehensive long range facility plan, and this had not yet been received in the Board Office. He stated in a letter dated October 21 Director True had identified the information required and to date that information had not been received. Regent Tyler asked Mr. Richey if was the case.

Mr. Richey stated Regent Tyler was correct.

Regent Tyler stated he concurred with Regent Murphy’s thoughts with respect to the advisory committee and the long range planning report but yet Superintendent DeMott by his own admission had nothing to offer for the agenda for the committee’s fall meeting. He said it was absolutely beyond him why Superintendent DeMott had such reluctance to submit information to the Board Office as requested by Mr. Richey on behalf of the Board of Regents. He indicated he had personal experience with Superintendent DeMott’s not returning telephone calls. He stated he had talked with President McDonald concerning Superintendent DeMott’s reluctance to return telephone calls. He said he deemed those instances and others that he did not want to take the time to go into as unsatisfactory performance and an intolerable and untenable relationship with the Board Office and, therefore, with the Board of Regents.

**MOTION:**

Regent Tyler moved that the board terminate the employment of Richard DeMott as superintendent of the Iowa Braille and Sight Saving School effective immediately; that the board continue his present salary through June 30, 1987; that he vacate his office at the school immediately; and that he vacate the residence provided for the superintendent not later than January 2, 1987. Regent Duchen seconded the motion, and it passed unanimously.

**MOTION:**

Regent Tyler moved that the board appoint Mary Beth Young to be acting superintendent of the Iowa Braille and Sight Saving School effective immediately and continuing through June 30, 1987, at a salary of $1,000 per month above her current salary. Regent Greig seconded the motion, and it passed unanimously.
MOTION: Regent Tyler moved that the board appoint Mary Ann Lindeman to be acting supervisor of education at the Iowa Braille and Sight Saving School, said duties to be performed in addition to her present duties, effective immediately and continuing through June 30, 1987, at a salary of $600 per month more than her current salary. Regent Anderson seconded the motion.

Regent VanGilst stated he was under the impression the board had previously approved not filling the Director of Education position. Mr. Richey stated this was just on a temporary basis due to the newness of the acting superintendent. Regent VanGilst stated he did not like the procedure. He said he knew there was some problem.

Mr. Richey stated Ms. Lindeman had been performing in the role of lead teacher and was a person in whom some confidence had been reposited within the institution and, for that reason, was selected as supervisor. He noted that she would continue with as a speech and language teacher.

Regent Tyler moved the question.

Acting President Harris reread the motion on the floor.

VOTE ON MOTION: Approved unanimously.

MOTION: Regent Duchen moved that the Executive Secretary in consultation with the board president appoint a search committee for the Superintendent of the Iowa Braille and Sight Saving School and arrange for a consultant immediately. Regent Anderson seconded the motion, and it passed unanimously.

Acting President Harris stated this had been a difficult morning, and on behalf of the board, he said he wished it were otherwise but communication between Superintendent DeMott and the Board Office have not been good; and, therefore, members of the board have been kept in the dark about many things. He said it was fair to thank Superintendent DeMott for what he had done for the school during the years he had been superintendent, and he wished him good luck in the future.

Superintendent DeMott said thank you.
EXECUTIVE SESSION. Acting President Harris requested that the board enter into executive session to discuss collective bargaining strategy pursuant to Chapter 20.17(3) of the Code of Iowa. Regent Murphy moved that the board enter into executive session. Regent VanEkeren seconded the motion; and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald.

The board having voted by at least two-thirds majority, resolved to meet in executive session beginning at 2:10 p.m. on November 19, 1986, and arose therefrom at 2:45 p.m. on the same date.

APPROVAL OF MINUTES. The minutes of the October 15-16, 1986, meeting were approved by general consent of the board.

CONSENT DOCKET. The items on the consent docket appear in the appropriate sections of these minutes.

ACTION: Acting President Harris stated the items on the consent docket were approved by general consent of the board.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Master of Fine Arts (M.F.A.) Degree in Dance. The Board Office recommended approval of the establishment of a Master of Fine Arts Degree in Dance at the University of Iowa.

Vice President Christensen stated the committee was happy to recommend approval of a Master of Fine Arts in Dance. He said the university has had this program in the planning stage for quite some time, as the dance program was established 25 years ago. The proposed program is the logical second step. The M.F.A. program represents a recasting and refocusing of an existing program so no new resources are required to support it.

Centrality: The Mission Statement of the University of Iowa contained in Section 6.04 of the Regents Procedural Guide indicates that the university's mission "...will be characterized by a general orientation toward human growth, the health sciences, the humanities, the fine arts, and the social sciences." The proposed major in dance would seem to fit well within this Mission Statement of the university.

Duplication: The University of Iowa is the only institution of higher education in the State of Iowa to offer an undergraduate dance degree (B.A.) or a specific graduate emphasis in Dance (M.A. in Physical Education). This program does not duplicate any existing programs in Iowa. It is one of six universities in the "Big Ten" offering graduate level programs in dance or related fields.
Need: The need for this program is justified on the basis of the advantages that it would provide graduates of the program at the University of Iowa. At the present time, the university offers an M.A. in Physical Education (Dance Specialization). The U.S. Department of Labor indicates that graduates in this field will find a very competitive job market and that this is expected to continue for some time. The university estimated the enrollments in the program would range between eight and ten in the next five years.

Quality: The university's experience for offering graduate programs in this area extends back for approximately 25 years. The essential ingredients for offering a quality program in this field are substantially in place. There is no accreditation for programs in this area; however, the university also indicated that the degree program exceeded recommendations put forth by the Council of Dance Administrators for M.F.A. in Dance, a professional organization.

Evidence of Long Range Planning: The Board Office could not find in the university's most recent Long Range Planning Report (April 1986) a specific reference to this particular program. It is obvious, however, that this program has been in the planning stage for quite some time. This would indicate that planning had been underway even though the Board of Regents had not been specifically given advance notice of a forthcoming proposal for an M.F.A. degree.

Costs: The university indicated that there would not be any marginal increases in expenditures as a result of the adoption of this program for the next three years.

MOTION: Regent Duchen moved that the board approve the establishment of a Master of Fine Arts Degree in Dance at the University of Iowa. Regent VanEkeren seconded the motion, and it passed unanimously.

b. Name Change of Department of Civil Engineering to Civil and Construction Engineering. The Board Office recommended approval to change the name of the Department of Civil Engineering to Civil and Construction Engineering at Iowa State University.

Vice President Remington felt this was routine and that this minor modification reflected more clearly the mission and activities of the department.

MOTION: Regent Anderson moved that the board approve the name change of Department of Civil Engineering to Department of Civil and Construction Engineering at Iowa State University. Regent Murphy seconded the motion, and it passed unanimously.
c. Post Audit Review for the Ph.D. Program in Family Environment at Iowa State University. The Board Office recommended the board receive the post audit report and approve continuation of the program.

The approval of the Ph.D. program in Family Environment at Iowa State University was initially approved five years ago. For a number of years, this program had been a joint major with other disciplines. In 1981, the Department and the University requested that this degree be given independent status so that joint degrees would no longer be required of students desiring to obtain the Ph.D. in Family Environment.

This program continues to serve a number of students at the university. The enrollment projections originally established for this program appear to have been met, and the program otherwise meets the criteria established by the board for post audit reviews.

The program did indicate that there had been an increase in expenditures for the program amounting to slightly over $20,000. This appears to be consistent with estimates for probable marginal increases in expenditures that would be necessary as a result of the adoption of this program at the time it was initially approved.

ACTION: Acting President Harris stated the Audit Review for the Ph.D. Program in Family Environment was accepted by general consent of the board.

PROPOSED ADMINISTRATIVE RULES BY THE DEPARTMENT OF EDUCATION FOR THE AREA VOCATIONAL SCHOOLS AND COMMUNITY COLLEGES. The Board Office recommended the board receive the report and approve the proposed administrative rules.

Vice President Remington stated this was a rule change that affects area vocational schools and community colleges, and they have no difficulty with the proposed changes.

Regent Duchen asked why the rule change had come before the Board of Regents. Acting President Harris explained that it was the law.

Vice President Remington stated that the universities had articulation agreements with the area community colleges.

MOTION: Regent VanEkeren moved that the board approve the proposed administrative rules for the Area Vocational Schools and Community Colleges as proposed by the State Board of Education. Regent Murphy seconded the motion. Motion carried unanimously.
REPORT OF MEETING OF IOWA COLLEGE AID COMMISSION. The report of the November meeting of the commission was received as a part of the consent docket.

PROPOSED TUITION POLICY, 1987-88. The Board Office made the following recommendations.

1. That the board adopt the tuition rates shown below to be effective with the 1987 summer session.

| CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES |
|-------------------------------------------------------------|-------------------------------------------------------------|
| **RESIDENT**                                                | **NONRESIDENT**                                             |
| Current Proposed \ 1986 \ 1987 \ Current Proposed \ 1986 \ 1987 |                                                           |
| University of Iowa                                         |                                                           |
| Undergraduate                                             | $1,390 \ $1,564 \ $4,080 \ $4,900                        |
| Graduate                                                  | $1,646 \ $1,852 \ $4,256 \ $5,106                        |
| Law                                                       | $1,790 \ $2,014 \ $5,050 \ $6,060                        |
| Dentistry                                                 | $3,156 \ $3,550 \ $7,874 \ $9,448                        |
| Medicine                                                  | $4,384 \ $4,932 \ $10,074 \ $12,088                      |
| Pharmacy                                                  | $1,790 \ $2,014 \ $5,050 \ $6,060                        |
| Iowa State University                                      |                                                           |
| Undergraduate                                             | $1,390 \ $1,564 \ $4,080 \ $4,900                        |
| Graduate                                                  | $1,646 \ $1,852 \ $4,256 \ $5,106                        |
| Veterinary Medicine                                       | $3,156 \ $3,550 \ $7,874 \ $9,078                        |
| University of Northern Iowa                                |                                                           |
| Undergraduate                                             | $1,364 \ $1,548 \ $3,234 \ $3,880                        |
| Graduate                                                  | $1,516 \ $1,720 \ $3,564 \ $4,276                        |

2. That an appropriate student aid set-aside be provided to maintain access to the institutions for needy students.

Highlights

* The Board Office proposed tuition increases of approximately 12 percent for resident students at SUI and ISU, 13 percent at UNI and 20 percent for all non-resident students. This would result in a per semester increase of $87 for undergraduate resident students at the University of Iowa and Iowa State University. The increase at the University of Northern Iowa would be $92 per semester for resident students.
The Board Office proposed that a portion of the increase be used for a student aid set-aside to maintain access to the institutions for needy students. It was recommended that general fund student aid be increased at least as much as the percentage increase in tuition.

These tuition rate recommendations are based on the board's "Principles and Guidelines for Establishing Tuition Rates at the Regent universities," which were established in 1974.

Present tuition rates at the Regent universities are significantly below the mean for comparable institutions. Among the "Big Ten" and "Big Eight" universities, the University of Iowa and Iowa State University would rank last in undergraduate resident tuition.

The proposed tuition rates for fiscal year 1987 would increase slightly the share of average instructional cost paid by resident and nonresident students.

The national average total cost of attending a four-year public college in 1987-88 is predicted to rise 6 percent for students who live on campus.

The Board Office proposed to use all of the tuition revenue increase to support student financial aid and for the Vitality and Excellence Fund.

The Board Office proposed a three-year plan to improve the competitive position of faculty salaries. The goal would be to elevate faculty salaries from the bottom of comparable university groups to among the upper 1/3. Funds for this program would be from tuition increases, state appropriation and internal university reallocations.

When considering tuition, fees, room and board during the 1986-87 school year, the University of Iowa ranked lowest and Iowa State University second to the lowest among comparable universities. The University of Iowa ranked 9th lowest among 12 comparable universities.

The Board Office stated there was a compelling argument for improving faculty salaries. Among the eleven university comparison group for each of Iowa's three Regent universities the faculty salary rankings were as follows: the University of Iowa, 10th; Iowa State University, 11th; and the University of Northern Iowa; 9th. To reach even the median of its comparison group, the average faculty salaries at the University of Iowa, Iowa State University and the University of Northern Iowa would need to improve relative to comparable universities by 10 percent, 17 percent, and 13 percent respectively. An increase of one percent in faculty salaries for Fiscal Year 1988 would require approximately $2.3 million dollars. A one percent increase in tuition generates about $1.0 million dollars for the general fund after allowing for an increased student aid set-aside.
The Vitality and Excellence Fund proposal recommended as the beginning of a three-year plan to solve this problem, elevating faculty salaries from the bottom of rankings of comparable universities to a position among the upper 1/3 of ranked comparable universities. Increased tuition income would be a part of the funding to achieve this goal. The plan also calls for substantial support through state appropriations and reallocations of internal university funds. The faculty salary catch-up cannot reasonably be accomplished in any one year. However, the goal of attaining this improvement in faculty salaries can be accomplished over a period of three years.

Tuition income is essential to achieving faculty salary improvements, but the reasonableness of proposed tuition increases must be justified. The Board Office tuition proposal is extremely reasonable when examined in relation to tuition charged at other public universities. Present resident undergraduate tuition at each Regent university is lower than any other Big Ten university. With this proposed increase, resident undergraduate tuition will remain the lowest in the Big Ten. Among its eleven comparison group universities, Iowa State University now ranks 7th in undergraduate resident tuition and would retain that ranking under the proposed tuition increase. The same is true for the University of Iowa. The University of Northern Iowa ranks 9th in its twelve university comparison group in resident undergraduate tuition and would likely move up only one ranking under the proposed tuition policy.

A major consideration of non-resident tuition policy is to insure that non-residents are paying the full cost of instruction. Estimates for Fiscal Year 1988 are that costs of instruction at Regent universities will average $4600 without even considering the cost of student aid, building repairs, or facility depreciation costs. The $4,900 proposed non-resident undergraduate tuition would certainly be no more than the full cost of instruction.

When compared to Big Ten universities, the University of Iowa and Iowa State University rank last in undergraduate non-resident tuition. With the proposed 20% tuition increase they would be ranked 8th. Among its comparison group of eleven universities Iowa State University tuition would rise from 10th place to 7th place. The University of Iowa would rise from 10th place to 7th place. The University of Northern Iowa has very few non-resident students and its non-resident undergraduate tuition would remain in the middle of its comparison group after a 20 percent tuition increase. Projected 1987-88 tuition comparisons were prepared assuming all other universities in the group increase tuition by six percent.

The history of tuition levels since 1960-61 includes extraordinary increases for the 1969-70 year, followed by several years of no growth. Increases were made on a biennial basis from 1975-76 through 1981-82, and have been made annually since then. Relatively large adjustments, particularly for nonresident students and those in professional colleges, were made in 1981-82 and 1984-85. In most cases, nonresident tuitions have increased more rapidly than comparable resident tuition.
Several sources of economic forecasting information are available for the State of Iowa and the United States. The data used in this report include that developed by Data Resources, Inc. (DRI) which has established an economic model for the State of Iowa. DRI publishes the monthly U.S. Forecast Summary and the weekly DRI Chief Economist's Commentary. The Iowa Economic Forecast is a quarterly publication produced by the Institute for Economic Research at the University of Iowa in consultation with the Iowa Economic Forecasting Council. In addition, the Monthly Iowa Economic Indicators report published by the Iowa Department of Economic Development summarizes data for specific Iowa indicators. For information more specific to higher education, Research Associates of Washington publishes higher education prices and price indexes and reports on the Higher Education Price Index (HEPI).

For the three universities combined, the percentage of general university expense met through tuition income has ranged from 11.6 percent in Fiscal Year 1955 to a high of 31.1 percent in Fiscal Year 1970.

Preliminary figures for Fiscal Year 1986 indicate that 28.7 percent of general university expenses were met by tuition revenue. This is the highest level since Fiscal Year 1970.

For the current year the regent universities have budgeted total tuition income to the general fund of $116.7 million dollars. Assuming stable enrollments, the tuition increases recommended by the Board Office for fiscal year 1988 would result in additional general fund income of $18.6 million dollars for the three Regent universities. Total tuition income to the general fund would be $135.3 million dollars.

The additional general fund income (assuming stable enrollments) would be distributed among the institutions as follows:

<table>
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<tr>
<th>Institution</th>
<th>Increase</th>
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<tbody>
<tr>
<td>University of Iowa</td>
<td>$8,513,890</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>$8,138,533</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>$1,968,362</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$18,620,784</strong></td>
</tr>
</tbody>
</table>

The total increase to the general fund includes the portion traditionally set aside as an increase in student aid in order to maintain student access. The universities have budgeted a total of $15.7 million dollars for student aid for Fiscal Year 1987. If the student aid set-aside were increased at the same rate as tuition, an additional $2.5 million dollars would be set aside for student aid for Fiscal Year 1988. This increase in the student aid setaside is recommended by the Board Office and would be distributed as follows (assuming present tuition income estimates):

389
Project Increase in Student Aid Base for FY 1988

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<tr>
<th></th>
<th>Increase</th>
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</thead>
<tbody>
<tr>
<td>University of Iowa</td>
<td>$1,239,264</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>$894,294</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>$358,205</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,491,763</strong></td>
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After deduction for the increase in the student aid set-aside, the net increase in tuition income to the general fund would be $16.1 million dollars. This increase would accrue to the institutions as shown in the following table:

Net Projected Increase to the General Fund for FY 1988

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<th>Increase</th>
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<tbody>
<tr>
<td>University of Iowa</td>
<td>$7,274,626</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>$7,244,239</td>
</tr>
<tr>
<td>University of Northern Iowa</td>
<td>$1,610,157</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$16,129,022</strong></td>
</tr>
</tbody>
</table>

After providing for increased student aid, the added tuition revenues would be earmarked exclusively for the Vitality and Excellence Fund.

An increase of 1 percent in faculty salaries for Fiscal Year 1988 would require approximately $2.3 million dollars. A one percent increase in tuition generates about $1.0 million dollars for the general fund after allowing for an increased student aid set-aside.

In July the Board received a report on the unit and variable costs of instruction at the Regent universities for 1984-85. It was reported that the average unit cost for an undergraduate student was $3,949. At that time, undergraduate tuitions ranged from $1,184 for a resident undergraduate at the University of Northern Iowa to $3,450 for a nonresident undergraduate at the University of Iowa or Iowa State University. Tuition increases for that year were 25.5 percent for nonresidents. Tuition for nonresidents remained below the calculated unit cost of instruction in that year.

If it were assumed that the cost of instruction increased by two percent in Fiscal Year 1986, six percent in Fiscal Year 1987, and nine percent in Fiscal Year 1988, the average unit cost of instruction for an undergraduate student at the Regent universities in 1987-88 would be $4,654. The recommended undergraduate resident tuitions of $1,564 at the University of Iowa and Iowa State University and $1,548 at the University of Northern Iowa would
represent approximately one-third of the unit cost of instruction per full-time equivalent student.

Mr. Richey stated that the material is self-explanatory. These recommendations were made with the idea of enhancing the excellence and vitality of the universities primarily through augmentation of faculty salaries. It is recognized that the amount of increase is higher than average. The condition of the universities with respect to competition of faculty salaries, potential loss of faculty members and ability to attract new faculty members mandates dramatic action be taken over a period of years as proposed by Presidents Freedman and Eaton. The recommendation is based on their proposal for a multi-year approach to faculty salaries. Given the size of the recommended increase, the first priority was to protect access to the institutions by increasing student aid. To accomplish enhancing faculty salaries, the institutions will have to assist through reallocation of funds along with the increase in tuition. He stated in no way was this designed to relieve the state of its responsibility by providing appropriations to enhance salaries.

Acting President Harris asked for comments from board members.

Regent Murphy asked who made the allocation for student aid.

Mr. Richey stated eligibility for financial aid is based on the student’s budget. Tuition is a component of that budget. An eligible student would have his budget raised by the amount of the increase, and this would raise the amount of aid available to finance the need. He pointed out a large part of the increase is from non-resident undergraduate tuition of those students who do not participate in student aid.

Regent Murphy asked if the set-aside met the need.

Mr. Richey stated it has in the past years. He noted that the federal student aid has increased. He said it was based strictly on the basis of need and on a threshold level of income. He indicated the recommendation should be adequate to maintain existing accessibility for resident undergraduate students.

Regent VanGilst asked if this was similar to the Iowa College Aid Commission.

Mr. Richey replied it was the same formula.

Regent Anderson asked how much of the institutional portion of student aid comes out of tuition.

Mr. Richey replied that the total amount is financed from the general institutional budgets.
Regent Anderson stated each time we have put into effect an increase in tuition, a portion has been set aside for financial aid. She asked how much of the total financial aid that would represent. She stated she had two calls that called her attention to a policy issue. The question was to what extent was it the responsibility of those students who are paying tuition to support financial aid for those who need help. To what extent is it the taxpayers responsibility. One way of approaching the tuition issue is to say that the additional 2 1/2 million dollars in student aid is the state's responsibility and would, therefore, be able to decrease the amount of increase.

Mr. Richey stated there is no question that tuition income goes into the general fund of the universities. Once into the fund it can no longer be identified. We have long asserted we do this out of tuition because that is the way to get the money.

Regent Anderson stated that might be an interesting challenge to the state.

Mr. Richey said it also gives the board flexibility to set financial aid policies. If it is done through the state appropriations the policy would be set by someone other than the universities and the regents.

Regent Murphy wanted to be assured that non resident tuition was supporting the cost of their education.

Mr. Richey said non resident students have been paying marginal cost of their education. He stated it did not cover the cost of amortization of buildings but is much closer to being self sustaining.

Regent Greig asked if the 20 percent increase in non resident tuition would result in a decline in non resident students at Iowa and Iowa State.

Mr. Richey said it is not expected to cause a reduction at the University of Iowa. At Iowa State, because of the nature of the program, they anticipate some decline in non resident students. It would be enough to hurt. With respect to the amount of money this yields and with respect to faculty salaries and because of difference in faculty salaries at each campus, the percentage that would be set aside at each campus would be the same.

Regent VanEkeren asked what were the student mandatory fees and would they increase same percentage.

Mr. Richey stated that would be determined later by the board, usually in the spring.

Acting President Harris asked if we have any idea as to how many needy students who are now enrolled in school are unable to get aid.

Mr. Richey said he didn't know.
Acting President Harris asked how much money is in the student aid fund at the three institutions.

Mr. Richey stated 48,221 students were helped by financial aid programs at the regent institutions. The total for fiscal year 1986 budget was 194 million dollars.

Vice President Madden said the figure also includes graduate students on assistance.

President Curris said the financial aid office has reported the number of needy students who do not get financial aid has increased dramatically in the last few months.

Mr. Richey said that aid includes work study, loans, and grants.

Regent Murphy asked how many of the 48,000 students were in the work force.

Mr. Richey said approximately 24,000.

Regent Greig asked what the 194 million dollars included.

Mr. Richey informed him it included everything, including federal aid.

Regent Tyler asked if the institutions had an adequate system in place to assure that those students who are in fact receiving aid are in fact in need of aid.

Mr. Richey said there is a standardized system used extensively throughout the country which went into effect ten years ago due to federal aid.

Vice President Hubbard stated, because their policy was to use all other sources before they draw upon their own budget, federal money was a large part. Federal regulations are very precise. It tends to regulate financial aid throughout the country. Student aid needs are calculated and figures sent to a national calculating agency. The process insures a very fair and equitable allocation of financial assistance to students who apply. At one time Iowa students reflected some of the values of their parents and thus were reluctant to request aid which they viewed as "welfare". He believes they do a fair job of meeting the needs of individual students, based on calculated need. Students' needs are looked at. Different students may not receive the same amount from that fund if the student is able to get help from another source such as scholarships. The general fund is for those who cannot get federal funds or scholarships. Students must meet the criteria of the federal government if any portion of the financial aid comes from a federal source. The fund will not be able to make up all of students' financial assistance because each student is required to bring "summer earnings" to meet the total calculated need, even at this time; the set-aside recommended by the Board Office for 1986-87 is not calculated to remedy this deficiency.

Regent Anderson asked if the institution used the same formula for institutionally controlled funds.
Vice President Hubbard replied the student’s need was calculated by the process, and the institutional funds were added last.

Regent Anderson asked if general fund aid was in reserve for those who might fall through the cracks.

Vice President Hubbard stated yes.

Regent Anderson asked if the federal criteria was addressing the real needs of Iowa students. She said one thing had to do with area of assets. She stated a lot of the assets of Iowa students was in farmland and was the criteria taking into account what was happening with agriculture.

Vice President Hubbard stated he was not comfortable with the criteria.

Regent Anderson asked if the institutional administered aid helped those students.

Vice President Hubbard stated it did to the extent it could but was limited by the amount set by federal guidelines.

Acting President Harris stated that at the University of Iowa students are allowed to make three payments per semester. The University of Northern Iowa has the same policy. It is different at Iowa State. He asked if it would be possible for the Regent universities, in the event there is a tuition increase, to do as several universities across the country and institute a program whereby a student is allowed to pay the tuition costs over a period of 12 months. He stated that generally there is a small fee tacked on to it.

Vice President Ellis stated that in a recent meeting with the staff members who work most closely with him, one of the topics they discussed was whether they should explore offering to Iowa students and their parents this service. In the past this has not been offered in the past, and the university was continually approached by firms offering such a process. He stated the university was undertaking an investigation of those kinds of programs; and, if such a program looks worthwhile and would provide benefit to students and parents, the university would propose offering such a program.

Regent VanEkeren asked what was the cost at Iowa State University.

Vice President Madden stated one percent interest per month is charged for short term loans. He said decreasing the percentage would cause the university to lose from $200,000 to $300,000 in interest income.

Acting President Harris stated the board had been looking forward to hearing from the students.
Mr. Charles DuMond and Mr. Michael Reck, State University of Iowa students, were introduced by President Freedman. They spoke on behalf of the students on the proposed tuition increase. They listed the data sources used to collect their information, and stated that many of the sources are the same as used by the board.

Mr. DuMond proceeded with a slide presentation. The first charts showed the General Education Fund Budget at the State University of Iowa. He called attention to the student fees increase and showed a comparison chart from 1977-78 to 1986-87 wherein fees increased from 19.36 percent to 26 percent. Comparison charts showing the General Education Budget over ten years were shown. He stated the last five years had the most meaning for them as students. Charts comparing the University of Iowa tuition with that of other institutions were shown. He stated it was the mission of the State University of Iowa to be responsible for educating high school graduates. He displayed charts comparing tuition at the University of Iowa with other Iowa institutions. He stated the National Center for Statistics was the source of these figures. He then showed charts of low costs of institutions in other states.

Mr. DuMond then explored how ability to pay tuition is measured. Iowa ranks number 31 in per capita disposable income. He then showed a comparison chart showing tuition increases and disposable income increases.

Mr. Reck then addressed the tuition proposal. He stated that quality was very important and accessibility is very important. The question is whether tuition increase is going to bring about increase in quality and accessibility. With regard to quality he discussed faculty salaries and stated that in the past for every dollar coming in for tuition, $1.53 was spent in faculty salaries. For every dollar coming in now $.82 goes toward faculty salaries. He feels the way to raise faculty salaries is to raise state appropriation. He stated that an increase in tuition was not the way to do it. With regard to accessibility, the set-aside program shows six percent goes toward financial aid. He felt it should be increased to 20 percent. He felt that the financial aid program was not meeting the needs of the students of the University of Iowa. He felt something must be done about financial aid. He felt the universities would not be able to maintain what has been lost in students who could not return to school due to lack of finances. He was concerned about what would happen to their futures.

Acting President Harris thanked both students for their presentations.

Mr. Richey stated during the past six years there had been a very direct correlation between tuition and faculty salaries. In 1981-82 there was a double digit faculty increase and a double digit tuition increase. A similar situation existed in 1983-84. Every year there was a modest increase in tuition, there was a very modest increase in faculty salaries. Last year there was a 6.5 percent tuition increase and a 6 percent faculty salary increase.
Mr. Reck stated, with a 5 percent tuition increase, there should be a 6.7 percent increase in need-based set aside because a greater amount was necessary because there would be a greater amount of need.

Regent Greig asked Mr. DuMond with regard to his slide presentation, did he happen to run a chart showing tuition and room and board comparisons on how Iowa ranks with other institutions.

Mr. DuMond stated he did not look at the room and board issue.

Regent Murphy asked, if the board recommended these funds be used for faculty salaries, would this insure or guarantee that the funds would be used for faculty salaries.

Mr. Richey stated he was optimistic the funds would remain intact through the executive and legislative budgeting processes. President Freedman said he believed the legislature would permit the institutions to use the funds for faculty salaries.

Regent VanEkeren wanted a guarantee that is where the funds would go.

Mr. Richey stated there was no way to get a guarantee from the legislature. He said there was no way to get an absolute guarantee from the Governor.

President Eaton introduced Brian Kennedy, a student of Iowa State University.

Mr. Kennedy stated there was a proposal before the board for a three-year plan to increase the quality and vitality of the faculty. He asked what happened after three years had passed. He stated he would encourage the board to critically examine the proposal and ask how it would affect constituent groups, international students, minority student and nonresident students. He said another concern should be with the new tax law and the changes in the law that would affect the income of graduate students.

Regent VanEkeren stated we need to have students down at the statehouse this spring. Their efforts would be put to great use there.

Mr. Kennedy indicated the students would be present during the legislative session.

President Curris introduced Connie Hessberg, President of the University of Northern Iowa Student Body. Miss Hessberg stated that 96 percent of the University of Northern Iowa students are in-state students. We are educating Iowans. She stated she did not believe students of the University of Northern Iowa could absorb a 13 percent increase. She said the University of Northern Iowa has grown steadily since 1980. There is a demand for education because of crisis in work force. She stated the number of potential students had grown since 1980 with laid off factory workers, displaced farmers, small business owners and their sons and daughters. She asked if we were committed
to higher education. She said Iowa had always been a progressive state and prided itself on education. She stated, unless the state began to better fund the public universities, students coming to the University of Northern Iowa would be only the rich because the students from middle and lower income families would be able to afford the tuition. We should keep educational channels open to educate the public. She felt the board should wait until the state is back on its feet before raising tuition. The state needs to fund the public universities. She felt the legislature should be pushed to find solutions. She said that is why they are elected.

President Eaton commended the students on their presentations. He stated the presentations indicated there were major concerns on the tuition issue. He felt many of the students arguments were compelling. He spoke in support of what had been proposed. He stated 65 faculty members last year took out-of-state positions at considerably higher salaries. He stated that, while he was employed at Texas A & M, he interviewed six faculty members from Iowa State University who were looking for jobs at higher salaries. He felt we had a crisis situation on our hands. In an attempt to solve the problem, we need help from student tuition and the legislature. He then proceeded to discuss the comparison charts of tuition and fees at eleven AAU public institutions and with the land grant universities. He stated Iowa State University had kept cost of room and board low. On a competitive basis he felt they were doing very well. He stated tuition had slowly increased as faculty salaries had gone down at Iowa State University. Students have been keeping up but faculty salaries have been declining sharply. He felt we should all agree to put the problems on the backs of the Iowa legislature. The state should begin to help if we want to get back where we once were. He felt we must solve this problem together.

President Curris stated the issues the board was discussing were very complex. He noted that the proposed tuition would provide general fund increases at both the University of Iowa and Iowa State University of more than $8 million each, and the increase at the University of Northern Iowa would be slightly less than $2 million. The other Regent schools have 2 1/2 times the number of students and their increase from the raise in tuition would be four times as much as that allocated to the University of Northern Iowa. For equity and parity the University of Northern Iowa would need three million dollars rather than $1,968,362 proposed to be on a par with the other two institutions. If this proposal is adopted by the board in November, he asked that the board then request $1,028,000 additional in state appropriations for the University of Northern Iowa.

President Freedman stated faculty salaries for Iowa are at the bottom of the list for the Big Ten. He applauded the students for the effort they put forth in their presentations. He stated that regarding faculty salaries he felt we are in danger of losing quality. Three members of the University of Iowa faculty were lost to Ohio State. He stated these three members were outstanding faculty members and
this is a very serious loss. He felt some kind of program that puts together tuition increases, tightening of our belts, and help from the legislature would be essential.

Regent Anderson stated that someone had to get insight into the perceptions of this legislature and its willingness to support appropriation levels. She stated she would like to hear a presentation at the next meeting as to how the legislature might react.

Frank Stork stated he could not speak to the question at the present time but would be willing to do an informal survey.

Acting President Harris asked where the members of the Iowa legislature were who said that, as long as tuition was increased, the legislature will never give the board the increase it needs.

Regent VanGilst stated maybe the board was taking the legislature off the hook if the board accepts the tuition proposal. He said he would like to see the legislature act first.

Acting President Harris stated he agreed with Regent VanGilst but noted there was a problem with that particular approach.

Mr. Stork stated the legislature was dealing in an environment there were many demands made on limited resources.

Acting President Harris then thanked the students for their excellent presentations. He stated he had heard their remarks and would think about what they have told the board as well as read the written material they provided to the board.

The following business was transacted on Thursday, November 20, 1986.

FALL 1986 ENROLLMENT REPORT, PART II. The Board Office recommended acceptance of Part II of the Annual Enrollment Report.

Highlights of the report are as follows:

* Nationally it has been predicted that colleges and universities in the coming year will have about 78,000 fewer students than in 1985-86, with enrollments expected to drop to 12.2 million students. About 9.6 million will attend public institutions and 2.7 million will enroll in private colleges and universities.

* Nationally the number of public and private high school graduates this year will fall short of last year's 2.66 million; the class of 1986 is expected to be 2.66 million members strong. The peak year for high school graduates was 1977, when about 3.2 million students earned their diplomas.
* Total enrollment in Iowa post secondary education increased by 0.6 percent from Fall 1985. Decreases in enrollment were noted by the Regent universities (-0.3 percent) while private colleges and universities experienced an increase of (0.7 percent).

* Total fall headcount enrollment for the Regent universities decreased from 67,694 in Fall 1985 to 67,512 in Fall 1986, an overall decrease of 0.3 percent.

* Both the Regent Universities and the Private Colleges experienced a decline in new freshmen, -1.9 and -3.3 respectively while the area colleges had an increase in new freshmen (+1.7 percent).

* In looking at data on admission of freshmen who graduated in the lower half of their high school graduating class, SUI reported that freshmen lower half admits represent 11.0 percent of the total new freshmen in Fall 1986 (up from 10.6 percent in Fall 1985). At ISU lower half admits represent 11.2 percent of total new freshmen in Fall 1986 (down from 12.5 percent in Fall 1985). At UNI lower half admits are down markedly to 10.0 percent of total new freshmen in Fall 1986.

* Enrollment peaks are anticipated in 1986 by the University of Iowa, Iowa State University, and the University of Northern Iowa. Subsequent declines are expected to reduce the total Regent enrollment by about 8.5 percent in 1996 compared to 1986.

* For Fall 1986, there was a slight decrease (-0.2 percent) Regent-wide for nonresident enrollments. The University of Iowa reported 31.7 percent, up 0.7 percent from Fall 1985. Iowa State University reported 28.6 percent nonresident enrollment. The percentage of nonresident students at the University of Northern Iowa has been historically lower. The University of Northern Iowa reported 4.2 percent nonresident enrollment for Fall 1986.

* For the three institutions combined, more than one-third of the undergraduate transfer students come from Iowa public two-year institutions, ranging from 34 percent in 1981 to 41.5 percent in 1986. For 1986, the percent of new undergraduate transfer students came from Iowa public two-year institutions reflects an increase of 1.7 percent from 1985.

* At the Regent universities, the total percentage of women students decreased in 1982, 1983, and 1984. Since 1985 this trend has been reversed and for both 1985 and 1986 there has been an increase in the percentage of women enrolled at the Regent universities. Regent wide women account for 46.4 percent of enrollment in 1986 an increase of six percent.
Ten-year enrollment projections for the Regent institutions are outlined in the following tables:

**The University of Iowa**

**TEN-YEAR ENROLLMENT PROJECTIONS, 1987-1996**

*(Fall FTE)*

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<tr>
<td>Lower Division</td>
<td>9,090</td>
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<td>8,716</td>
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<td>7,673</td>
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<td>8,025</td>
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<td>7,668</td>
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<td>6,571</td>
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</tr>
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<td>Sub-Total Undergraduate</td>
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<td>16,841</td>
<td>16,608</td>
<td>15,988</td>
<td>15,341</td>
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<td>14,175</td>
<td>13,818</td>
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<td>1,586</td>
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<td>1,530</td>
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<td>1,530</td>
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<td>23,399</td>
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<td>22,261</td>
<td>21,498</td>
<td>20,711</td>
<td>20,224</td>
<td>19,907</td>
<td>19,855</td>
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**IOWA STATE UNIVERSITY**

**TEN-YEAR ENROLLMENT PROJECTIONS, 1987-1996**

*(Fall FTE)*

<table>
<thead>
<tr>
<th></th>
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<td>1,323</td>
<td>1,298</td>
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<td>1,557</td>
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<td>472</td>
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<td>TOTAL</td>
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<td>23,892</td>
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<td>23,227</td>
<td>22,696</td>
<td>21,994</td>
<td>21,351</td>
<td>20,959</td>
<td>20,659</td>
<td>20,710</td>
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## UNIVERSITY OF NORTHERN IOWA
### TEN YEAR ENROLLMENT PROJECTIONS, 1987-1996 (Fall FTE)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Lower Div. Undergraduate</td>
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<td>3996</td>
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<td>4491</td>
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<tr>
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<td>538</td>
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<td>560</td>
<td>567</td>
<td>575</td>
<td>582</td>
<td>588</td>
<td>592</td>
<td>596</td>
</tr>
<tr>
<td>Advanced Graduate</td>
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<td>190</td>
</tr>
<tr>
<td>Professional</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
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<td>9646</td>
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<td>9353</td>
<td>9179</td>
<td>9023</td>
<td>8901</td>
<td>8803</td>
<td>8954</td>
</tr>
</tbody>
</table>
Mr. Richey stated the second enrollment report received this fall contained almost everything the board needed to know. It is a very important report that for Regents. It indicated particularly the kind of students, trends in the area schools and independent institutions in Iowa, how admission standards are working and are interpreted by the universities. Both Regent universities and independent institutions showed a decline in the number of entering students. Included in the enrollment report were special reports on Regent university enrollments by collegiate units; admission of freshmen who graduated in the lower half of their graduating class; enrollments by race, sex, and handicap category; Regent university enrollments of foreign students; enrollments by residency status; Regent university enrollments of transfer students; and institutional enrollment projections. He noted that the report did not include enough information on minority students.

Regent Murphy asked if the percentage of entering freshmen from lower half had remained fairly constant.

Mr. Richey said, for this past year, Iowa State University and the University of Iowa had remained fairly constant. The University of Northern Iowa was dramatically down. He stated the University of Iowa was taking fewer from the bottom half than it did ten years ago, and Iowa State University had always been conservative.

Vice President Remington stated the University of Iowa has always admitted lower half applicants if ACT scores were high enough. The University, with the approval of the Regents, recently increased its ACT requirement for automatic admission of lower half applicants from 21 to 24 for residents and from 22 to 25 for non-residents. In the future, reports on lower half admissions should divide this group into parts, those who meet the ACT standard and those who do not. The University of Iowa admitted 6.1 percent of freshmen this fall who were in the group not meeting the ACT or upper half criteria. This included students with special talent such as artists, actors, athletes and others who have special circumstances.

ACTION:

Acting President Harris stated Part II of the enrollment report was received by general consent of the board with the acceptance of the recommendation made by Vice President Remington.

ANNUAL REPORT ON STUDENT AID 1985-86. The Board Office recommended acceptance of the annual report on student aid.

Highlights of the report are as follows:

* A total of 48,221 students were served by all financial aid programs at Regent institutions during 1985-86. (Total unduplicated headcount--i.e. each student is counted once no matter how many different programs the student participated in)
currently qualify for financial aid and looked at how much an increase in
tuition would increase their need, and then looked at students who do not
qualify for financial aid now but who will qualify if tuition were raised.
He stated that the students' estimated need for financial aid is what they
started with. He stated that, when the financial aid package was put
together it included some federal funds, institutional funds, grants, and
income from student employment. He stated that student employment was a
very deliberate part of financial aid.

Vice President Madden stated they were following a similar procedure. He
indicated there would be some new issues to take into consideration such as
the new tax law which addressed graduate student income. He indicated there
was really no support in financial aid programs for graduate students with
the bulk of the funds going to resident undergraduate students. He stated
the amount being set aside would probably meet the need of resident
undergraduate students but would not help the nonresident, international and
graduate students.

Regent Anderson stated she was concerned about on-going tapping of the
tuition to meet the financial aid issue because as the tuition increased, it
put an increase on parents and students who assume the full cost of
education. She said those were people who have assumed that responsibility
and were trying to meet and recognize the need. She indicated she would like
to explore the possibility of getting the $2.5 million in some other way than
in tuition.

Regent Anderson stated that people who had talked with her would not accept
that analogy.

Mr. Richey stated there was $15 million in the general fund institutional
budgets, and all that money was being put at risk if a state appropriation
for financial aid was requested because the immediate issue was to utilize
those funds most appropriately throughout the state and do it on a basis of
need and in coordination with other programs. He indicated the advantage
with institutionally based financial aid was that the money could be used as
the Regents and the institutions determine appropriate. He stated there had
been proposals to that effect to centralize student aid administration in the
state in the Iowa College Aid Commission. He stated there was a
recommendation pending to fund the state work study legislation which would
provide some money for both public universities, independent colleges, and
the area schools.
Vice President Ellis stated part of the problem was the perception. He indicated they were not funding financial aid out of tuition but funding financial aid out of the general fund. He stated they were actually reallocating funds within the general fund budget.

Regent Anderson stated she agreed with Vice President Ellis. It would alleviate some of the concerns starting to swell.

Regent Duchen stated he was proud, both as a Regent and a citizen of Iowa, of the students who spoke on Wednesday. He stated he is all for higher tuition increase but felt responsible to the universities and to the citizens as well as the residential students. He stated he did not have the answer to what happens to the non-resident or international student, but he did care what happens to the citizens of the state of Iowa. He said he is not concerned about the student who gets the student aid package but wanted to know how many were turned down.

Vice President Madden stated that if they do not come in to apply for financial aid then he would not know.

Vice President Ellis stated he believed the answer was zero; but he get back to the board.

Vice President Madden agreed with Vice President Ellis but added that the students may not be happy with the package they received.

Vice President Ellis stated they used a determination of need to decide how much financial aid a student needs. Students may perceive that they need more than the calculations indicate as need. Also, the student may decide that education was not worth the cost.

Mr. Richey reemphasized that student aid support of these universities relative to the tuition rate would be the same or better with the new rates and new financial aid than they presently were.

Vice President Christensen stated the first responsibility was to the Iowa resident, but the argument against raising nonresident tuition should not be forgotten.

President Curris stated there are students who are not at the universities because of financial reasons. He stated there were some entitlement programs under the federal government. He said there were a sizable number of students where the package put together does not meet the needs, but there are those who do not come in at all. He indicated there were also students who drop out in order to get money to come back.

Regent Anderson asked if there had been any kind of study of forcing students to work more hours and thereby increasing the length of their stay in the university.
* At Regent institutions during 1985-86, a total of 30,211 students received gift assistance (scholarships, grants, etc.); 30,221 received loans; and 24,397 were employed by the institutions.

* The most consistent gains Regent-wide were registered in institutional programs where increases were 9.5 percent at ISU, 7.9 percent at UNI, and 7.5 percent at SUI. The total dollar amount of awards for the three institutions increased by $6 million over 1984-85.

* Institutionally controlled federal programs showed increases in dollar value of total awards at all three universities, with the range of increase from 9.2 percent at SUI to .9 percent at ISU.

* Non-institutionally controlled federal programs increased in dollar value by 13.1 percent and 7.9 percent at ISU and UNI, respectively, and decreased slightly at SUI.

* State programs at SUI and ISU decreased in value but increased at UNI.

* The pool of eligible applicants is increasing at all three state universities because of rising costs and the poor economy. When funds are not increased, less aid is received per student.

* Increasing numbers of students are applying for Guaranteed Student Loans in order to meet expenses, which results in higher future indebtedness.

For reporting purposes student aid is divided into four categories:

I. Federal Programs -- Non-Institutionally Controlled
   A. Pell Grant
   B. Graduate Fellowships/Assistantships/Traineeships
   C. Public Health Service Scholarships
   D. Health Education Assistance Loans
   E. Reserve Officer Training Corps (ROTC)
   F. Bureau of Indian Affairs
   G. Guaranteed Student Loan Program (includes PLUS)
   H. Exceptional Financial Need

II. Federal Programs -- Institutionally Controlled
   A. Supplemental Education Opportunity Grant (SEOG)
   B. College Work/Study (CWS)
   C. National Direct Student Loan (NDSL)
   D. Health Profession Scholarships
   E. Health Profession Loans
   F. Nursing Loans
III. State Financial Aid Programs

A. State of Iowa Scholarships
B. Math/Science Loan Program
C. Math/Science Grant Program
D. National Guard Education Benefits
E. Vocational Rehabilitation Grant
F. Iowa Centennial Memorial Scholarship
G. Iowa War Orphans Educational Aid
H. Commission for the Blind Educational Aid

IV. Institutional Student Financial Aid Programs

A. Scholarships, Grants, Fellowships, Traineeships (needs-based)
   1. Talent and Academic Scholarships/Grants (excludes athletics)
B. Institutional Long-Term Loans
C. Institutional Employment (graduate, teaching, and research assistantships)
D. Other Student Employment
E. Corporation/Private Donors

The following table is a summary of total values of awards for each category of financial aid:
### Financial Aid Summary

**1980-81 through 1985-86**

*IN IN MILLIONS OF DOLLARS*

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Programs</th>
<th></th>
<th></th>
<th>State Programs</th>
<th></th>
<th></th>
<th>Institutional Programs</th>
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<tbody>
<tr>
<td></td>
<td>Institutionally</td>
<td></td>
<td></td>
<td>Non Institutionally</td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td>Controlled</td>
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<td></td>
</tr>
<tr>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td></td>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td>SUI</td>
</tr>
<tr>
<td>1980-81</td>
<td>$4,507</td>
<td>$2,929</td>
<td>$1,177</td>
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<td>$28,952</td>
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<tr>
<td>1981-82</td>
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<td>$2,953</td>
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<td>$39,148</td>
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<td>$11,992</td>
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<tr>
<td>1982-83</td>
<td>$4,473</td>
<td>$2,903</td>
<td>$1,336</td>
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<td>$27,964</td>
<td>$18,066</td>
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<tr>
<td>1983-84</td>
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<td>$2,617</td>
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<td>1984-85</td>
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<td>$3,424</td>
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<td>1985-86</td>
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<td>$3,454</td>
<td>$1,877</td>
<td>$39,649</td>
<td>$38,804</td>
<td>$24,984</td>
<td>$0.705</td>
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### Increase or Decrease (in millions of dollars) from the previous year

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<th></th>
<th>State Programs</th>
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<th>Institutional Programs</th>
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<td></td>
<td>Institutionally</td>
<td></td>
<td></td>
<td>Non Institutionally</td>
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</tr>
<tr>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td></td>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td>SUI</td>
</tr>
<tr>
<td>1981-82</td>
<td>($0.212)</td>
<td>$0.024</td>
<td>($0.015)</td>
<td>$9.268</td>
<td>$5.016</td>
<td>$5.266</td>
<td>$0.058</td>
</tr>
<tr>
<td>1982-83</td>
<td>$0.179</td>
<td>$0.050</td>
<td>$0.175</td>
<td>($6.801)</td>
<td>($6.004)</td>
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<td>$0.807</td>
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<td>($0.257)</td>
<td>$4.481</td>
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<td>($0.084)</td>
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* Note negative numbers in ( )'s

### Percentage Increase or Decrease from the previous year

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<th></th>
<th>State Programs</th>
<th></th>
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<th>Institutional Programs</th>
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<tbody>
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<td></td>
<td>Institutionally</td>
<td></td>
<td></td>
<td>Non Institutionally</td>
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<tr>
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<td></td>
<td>Controlled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td></td>
<td>SUI</td>
<td>ISU</td>
<td>UNI</td>
<td>SUI</td>
</tr>
<tr>
<td>1981-82</td>
<td>-4.7</td>
<td>0.8%</td>
<td>-1.3%</td>
<td>31.0%</td>
<td>17.3%</td>
<td>78.3%</td>
<td>20.7%</td>
</tr>
<tr>
<td>1982-83</td>
<td>4.2%</td>
<td>-1.7%</td>
<td>15.0%</td>
<td>-17.4%</td>
<td>-17.7%</td>
<td>50.7%</td>
<td>29.8%</td>
</tr>
<tr>
<td>1983-84</td>
<td>7.9%</td>
<td>-9.8%</td>
<td>5.1%</td>
<td>11.3%</td>
<td>13.3%</td>
<td>15.1%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>1984-85</td>
<td>-11.8%</td>
<td>30.8%</td>
<td>24.4%</td>
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<td>83.4%</td>
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<tr>
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<td>-0.7%</td>
<td>13.1%</td>
<td>7.9%</td>
<td>-10.6%</td>
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</table>
Mr. Richey stated the student aid report was covered thoroughly in the discussion of tuition.

Regent Duchen asked for a summary of how the students were going to be protected if tuition is raised.

Mr. Richey stated the institutions should address this question if action recommended on tuition, including set-aside, should occur.

Regent Duchen stated he thought it was terribly important to keep these students in school.

President Curris said there was a tuition set-aside for financial aid out of revenues that would be generated and that may well be put in to augment student aid. The big source of student financial aid came from federal programs which would be under review this year because of the Gramm-Rudman-Hollings bill. He indicated additional support was expected in the Senate. He stated the economic problems of this state were reflected in the students who come to the university. Unemployed workers and farmers as well as their children were coming to the institution, and the need is greater than it ever had been, and the need would there regardless of what was done about tuition. He indicated they would not be able to meet the need unless something happened. He noted this past year 120 additional student jobs were created on the campus of the University of Northern Iowa, but that was not a great many with an enrollment of over 11,000 students. He indicated they would not be able to meet the need as projected unless there was substantial help from the General Assembly.

Regent Tyler asked, if tuition were increased by 12 percent, was the student aid increased by a like amount.

Mr. Richey stated the increase would be the rates that are represented in the budgets now. He stated the University of Iowa and Iowa State University because of the nonresident factor would show about 16 percent increase. The University of Northern Iowa has a much larger percentage going to student aid. They have a much higher institutional student aid budget than the other two universities. He stated he felt the increase in student aid was at least equal to or greater than the increase in tuition.

Regent Tyler stated the need factor was not even mentioned.

Mr. Richey said the need will be taken into consideration. He stated the student's financial aid budget including present sources of financial assistance had been discussed previously. He said assuming that the student's budget would be higher because of the tuition; and, with respect to the room and board, there had been very conservative increases.

Vice President Ellis stated when doing computation of the need for increase in the institutional portion of financial aid, they took those students who
currently qualify for financial aid and looked at how much an increase in tuition would increase their need, and then looked at students who do not need aid today but who will qualify if tuition were raised. He stated need is what they started with. He stated that, when the financial aid package was put together it included some federal funds, institutional funds, grants, and income from student employment. He stated that student employment was a very deliberate part of financial aid.

Vice President Madden stated they were following a similar procedure. He indicated there would be some new issues to take into consideration such as the new tax law which addressed graduate student income. He indicated there was really no support in financial aid programs for graduate students with the bulk of the funds going to resident undergraduate students. He stated the amount being set aside would probably meet the need of resident undergraduate students but would not help the nonresident, international and graduate students.

Regent Anderson stated she was concerned about on-going tapping of the tuition to meet the financial aid issue because as the tuition increased, it put an increase on parents and students who assume the full cost of education. She said those were people who have assumed that responsibility and were trying to meet and recognize the need. She indicated she would like to explore the possibility of getting the $2.5 million in some other way than in tuition.

President Freedman stated he appreciated the concern of students paying the entire cost of their education. He stated that students were paying for a package of opportunities. He noted that increments of tuition went to support many facilities that were not used by all students and that financial aid was one part of the package of total opportunities.

Regent Anderson stated that people who had talked with her would not accept that analogy.

Mr. Richey stated there was $15 million in the general fund institutional budgets, and all that money was being put at risk if a state appropriation for financial aid was requested because the immediate issue was to utilize those funds most appropriately throughout the state and do it on a basis of need and in coordination with other programs. He indicated the advantage with institutionally based financial aid was that the money could be used as the Regents and the institutions determine appropriate. He stated there had been proposals to that effect to centralize student aid administration in the state in the Iowa College Aid Commission. He stated there was a recommendation pending to fund the state work study legislation which would provide some money for both public universities, independent colleges, and the area schools.
financial aid out of the general fund. He stated they were actually reallocating funds within the general fund budget.

Regent Anderson stated she agreed with Vice President Ellis. It would alleviate some of the concerns starting to swell.

Regent Duchen stated he was proud, both as a Regent and a citizen of Iowa, of the students who spoke on Wednesday. He stated he is all for higher tuition increase but felt responsible to the universities and to the citizens as well as the residential students. He stated he did not have the answer to what happens to the non-resident or international student, but he did care what happens to the citizens of the state of Iowa. He said he is not concerned about the student who gets the student aid package but wanted to know how many were turned down.

Vice President Madden stated that if they do not come in to apply for financial aid then he would not know.

Vice President Ellis stated he believed the answer was zero; but he get back to the board.

Vice President Madden agreed with Vice President Ellis but added that the students may not be happy with the package they received.

Vice President Ellis stated they used a determination of need to decide how much financial aid a student needs. Students may perceive that they need more than the calculations indicate as need. Also, the student may decide that education was not worth the cost.

Mr. Richey reemphasized that student aid support of these universities relative to the tuition rate would be the same or better with the new rates and new financial aid than they presently were.

Vice President Christensen stated the first responsibility was to the Iowa resident, but the argument against raising nonresident tuition should not be forgotten.

President Curris stated there are students who are not at the universities because of financial reasons. He stated there were some entitlement programs under the federal government. He said there were a sizable number of students where the package put together does not meet the needs, but there are those who do not come in at all. He indicated there were also students who drop out in order to get money to come back.

Regent Anderson asked if there had been any kind of study of forcing students to work more hours and thereby increasing the length of their stay in the university.
Vice President Ellis stated he did not know of any such study. There are a number of people who are pursuing education on a part time basis because of various factors. He stated there has long been a tradition of people who work their way through school.

Vice President Ellis stated they do not increase the number of hours a student works for the purpose of putting together a financial aid package. He noted that ten hours was the norm for financial aid.

Regent Anderson asked, with regard to student aid packages, if students were just as eligible in the fifth year as they were in the first year.

Vice President Ellis replied yes.

Vice President Madden added that some of the federal program did have certain limitations.

Acting President Harris asked if there was a plan that would allow the board to identify those Iowa high school students who are planning or would like to attend the University of Iowa. If so, would the plan include advice as could be understood which would detail what they might need to finance their college education.

Vice President Ellis stated they worked through high school counselors and provide enormous amounts of information which includes information on how to finance an education. High school counselors also have access to enormous amounts of information about noninstitutional based financial aid.

Mr. DuMond stated that some students do not qualify according to federal regulations because of their parents' income.

Regent Anderson asked how assets and liabilities were defined in the regulations.

Vice President Madden said there was a major problem in defining assets, particularly for farm-based students which had been a real problem in Iowa in the last few years because land values are constantly changing. He stated he is not comfortable with federal formula, but they had use to use it.

Regent Greig said bankers can make loans against this land. Students need to be educated on how to get this money.

Vice President Madden stated there are hurdles students must get over, and he was convinced any student who wanted to attend college could get the money.

Regent Greig said some parents are able to help students but have said no which is a problem for many students.
Vice President Ellis stated they were seeing an increasing shift in the
direction of loans as opposed to grants and that students who graduate would
have a significant debt burden.

Regent Duchen said he felt saddened by those who are applying and are told
there are no funds available.

Vice President Ellis stated it was more difficult for students today to
finance their education than in the last six to eight years. It is less
difficult, however, than 20 years ago.

Acting President Harris stated that, if there was an increase in tuition,
the board would hope that the institutions would formulate a plan to make it
possible for students to make the tuition payments during the year.

ACTION: Acting President Harris stated the Student
Aid Report was received by general consent
of the board.

REGENTS OPERATING BUDGET REQUESTS - FISCAL YEAR 1988. The Board Office made
the following recommendations:

1. Receive institutional faculty salary proposals for fiscal year 1988 and
defer action on the institutional proposals until salary policy is
established in the spring of 1987.

2. Receive a report on plans for presentation of the Regents fiscal year
1988 budget request and adjustments to the fiscal year 1988 operating
budget request to provide for annualization of salary and fringe benefit
increases.

3. Retain the budget recommendations approved in October for the Water
Resources Research Institute and the Agricultural and Home Economics
Experiment Station.

Last month the Board approved operating budget requests for the universities,
special purpose programs and tuition replacement needs. The budgets approved
for the institutions provided for a total Fiscal Year 1988 appropriations
increase (exclusive of salary adjustments and increases in tuition income) of
$33.3 million. Approval was requested for adjustments providing for
necessary annualization of mid-year salary and fringe benefit increases and
for two amended funding recommendations. The revised appropriations request
is for $35.7 million.

The Regents budget request for Fiscal Year 1988 as approved by the Board in
October has been transmitted to the Department of Management for appropriate
entry into the state's budget preparation systems. Details of the budget
request have been discussed with the Department of Management.
The Governor's Budget Hearing on the Regents' Fiscal Year 1988 budget requests has been scheduled for December 15, 1986. As in prior years, Board members and institutional heads will be requested to participate in the presentation of the Regents' budget request.

The 1987 Session of the Legislature will convene on January 12, 1987. The Governor's Budget Message will likely be delivered on January 15 or 16, 1987. Present indications are that the legislative hearing on the Regents budget request may be scheduled for mid-February.

The institutions have previously reported to the Board their belief that the need for significant improvements in faculty salaries is the most critical aspect of the Fiscal Year 1988 budget request. In September the University of Iowa and Iowa State University provided the Board with comparisons of faculty salaries at the Regent universities within groups of eleven comparison institutions.

Both the University of Iowa and Iowa State University recommended the establishment of new comparison groups for the review of faculty salaries. The new comparison groups include ten other American Association of Universities (AAU) institutions in comparison with the University of Iowa and ten other public land grant universities in comparison with Iowa State University. These are reported to be the institutions with which the Regent universities compete most frequently for faculty.

Within the AAU comparison group, the University of Iowa ranks tenth out of eleven in 1985-86 faculty salaries. Iowa State University ranks last in the land grant comparison group. The University of Northern Iowa ranks tenth in its group of twelve comparable institutions.

Estimated average faculty salaries for the current year are based on survey information provided by the universities. According to these projections the University of Iowa would drop to last in its group, Iowa State University would remain last and the University of Northern Iowa would remain at tenth place for 1986-87.

Within the Big Ten, the University of Iowa's average 1985-86 faculty salaries rank eighth. Within the Big Eight, Iowa State University's faculty salaries rank sixth.

The universities have previously provided the Board comparison information for professional and scientific staff salaries. Proposals for increases in professional and scientific staff salaries will be presented to the board at the December meeting.

The total cost of a 1 percent increase for faculty and institutional officials is 2.3 million dollars. The comparable cost for a 1 percent increase for professional and scientific staff is 1.3 million dollars and a 1 percent increase for general services staff would require an additional 1.3
million dollars. The total cost for a 1 percent salary increase for all employees of the regent institutions would be 4.9 million dollars. The appropriations share would be nearly 4.0 million dollars.

Annualization is a personnel budget increase necessary to maintain the same staffing. Increased fringe benefit contributions, FICA contribution increases or the budget impact of mid-year pay increases in the prior year are the most common types of situations resulting in annualization costs.

The Fiscal Year 1988 budget request approved in October did not include provisions for the annualization of Fiscal Year 1987 increases in salaries and fringe benefits. Several changes expected during the present fiscal year will require annualization in Fiscal Year 1988 estimated to cost $6.5 million. The largest component is the 4 percent increase in salary levels for merit system personnel effective with the pay period beginning January 1, 1987. Additional funds must be requested in order to provide for the full year equivalent of these increases in Fiscal Year 1988. Additional elements of the annualization request are to provide for merit increases awarded during the year, changes scheduled in the rate of FICA contributions and a number of smaller changes in other fringe benefits.

It is necessary that the annualization request be provided within the total Regent budget request for appropriate review and consideration. Annualization requests for Fiscal Year 1988 are listed below for each of the Regent institution budget units.
President Eaton stated he had been concerned about faculty salaries at Iowa State University for the last year, and everything he had seen drives the concern further. His first priority would be to find some way or ways to get salaries up to a level where the university can compete in the marketplace with other institutions. He asked the board to look at the comparison charts before them at the institutions. He noted Iowa State University had the lowest salary of the group. He indicated he was alarmed at the rate of loss of faculty, and the potential for a high rate of attrition continues. He
stated he was in favor of an increase of 13 percent the first year and 13 percent for each of the two succeeding years. He stated he believed that, if a turn-around cannot be made, this kind of loss would continue and could not be alleviated before the end of the century.

President Freedman seconded the comments of President Eaton. He distributed information on comparative standings and noted that the State University of Iowa is at the bottom of the list in faculty salaries. He stated that the quality of a University was in the quality of ideas of its faculty. He stated the University of Iowa faculty had obtained $89.5 million in outside grants last year which was a mark of strikingly original ideas. He added that the quality of the faculty's minds had an impact on the quality of the students. He felt there should be a three-year commitment of 13 percent faculty salary increases each year. He noted the University of Iowa was 31 percent behind first place in the II-university group. He noted that movement up could not be done in a single year. He asked that the board send a clear signal of its commitment to the faculties of the universities. He added they were recommending an 11 percent increase for professional and scientific staff in each of the next three years.

Mr. Richey stated the board should not take action on a specific salary request in view of its responsibilities in collective bargaining. He added the board would really have before it as general policy when it takes action on tuition next month and through its action could send a signal. He noted the specific salary request would be made in March.

Regent Duchen stated our low salary past creates a hit list for the other universities to fill positions they have open. Faculty members did not leave to go to Stanford, Harvard, etc., but to much lesser schools. He asked if the legislature was aware of the quality of faculty members we have lost to these universities. He said he was talking about several hundred distinguished faculty members. He wanted to know if people understood what was happening.

Mr. Richey stated most of the information provided to the legislature had been anecdotal. He indicated he would work with the universities to see what could be developed for presentation to the legislature that would more clearly reflect the faculty losses.

Regent VanGilst stated that through the years there has been a great concern about professors going somewhere else. It is a tremendous concern about losing our good faculty. We lose the better ones because they are offered other opportunities.

President Freedman confirmed the "hit list" mentioned by President Eaton.
Regent VanEkeren stated we are losing good people but good people are also choosing to stay.

Regent Anderson recognized the need for salary increases but noted there were other factors to be considered. She said the recommendation was saying that tuition increases would be used for salaries without knowing what the appropriation levels would be.

Vice President Remington stated that the general expense budgets have been under assault. He indicated they had been forced to maintain competitive salaries and have done it by cannibalizing other parts of the budget. He said the budgetary situation of the universities was desperate caused by years of substandard funding. He added they were still excellent universities, but the corrections would have to be made this year.

Vice President Christensen stated programmatic aspects were a very critical aspect.

Regent Anderson asked if we are locking ourselves into a situation here where we may not be able to meet some of those needs because we have committed a certain amount to faculty salaries.

Vice President Remington stated that was a hazard. He indicated there was only one answer and it was not through reallocation, it was new allocation.

President Eaton stated they were talking about fixing something that has been happening in the 1980’s, but it has been going on since the 1970’s when the state was prosperous.

President Curris stated he felt the question went a little deeper than the presentations which had been made. He stated that the viability of Iowa’s institutions depended on the quality of the faculty and its vitality. He stated there were other factors that influenced faculty morale. He said he knew they would lose some but wanted to minimize the loss of good people and concomitantly wanted to attract new people. He said, with reference to the faculty, there were two key factors. One was the faculty must have a sense of confidence in the future of the state and that the board, the legislature, and the Governor are advocates of higher education. The second thing is that faculty members treasure professionalism and that they have the ability to affect the circumstances under which they work. He said that may mean the needs for equipment may be more important than salaries or supplies.

Regent Greig agreed with what has been said. He felt the state of Iowa didn’t treat the universities right when the money was there. He said it was tough now in the real world. He indicated, in his own operations, he had started to make small cuts. He stated, when the board went to the legislature, it would have to say that the students would pay the tuition and the board needed more appropriations. In addition he felt that it had to be
said that the universities were willing to make major cuts. He said that major decisions had to be made and had to be made soon.

President Eaton agreed completely. He stated the problem for them is unlike the period of the great depression. He stated they were competing in a marketplace where people are taking advantage of Iowa being in trouble, and the law of supply and demand was at work. He stated they were willing to take part in reallocation, but the state had to make some conscious choices about the future of the public universities.

Iowa State University requested that the Board consider amendments to the budget request in two areas. It was requested that support for the Water Resources Research Institute be increased from the amount recommended and approved last month and that funding be approved for the Center for Agricultural and Rural Development (CARD).

Last Month the Board approved funding of $135,000 for the Water Resources Research Institute. The Board Office recommendation of $135,000 had provided a significant increase over the Fiscal Year 1987 funding level of $100,000.

The university had requested $180,000 and renewed its request for that amount. The university indicated that the federal match requirements have increased for this program and asked that state appropriations make up this difference. The university reported that the total available federal funding for Fiscal Year 1988 would require a match of $202,500. Using an in-kind match of indirect costs reduces this need to $180,000.

The Board Office recommended that the Water Resources Research Institute budget request be retained at $135,000 and that other options for match funding be sought. The Board Office also recommended that the Water Resources Research Institute seek funding of projects through oil overcharge funds and that cooperative efforts be made by the three Regent universities through the Water Resources Research Institute to attract oil overcharge funding for water quality monitoring activities. Between $30 to $40 million in oil overcharge funds are expected to be available during the next year.

The Agricultural and Home Economics Experiment Station at Iowa State University previously submitted, under the category of Improving Educational Quality, a request for $500,000 for the Center for Agricultural and Rural Development (CARD). The university had indicated that this funding would allow the Center to attract an additional $1 million in funding for expanded economic policy research. The proposal was ranked as fourth among the Improving Educational Quality requests for the Experiment Station. The Board Office had not recommended funding for this request and it was not included in the budget approved by the Board.
The university renewed its request for support for the Center for Agricultural and Rural Development and provided additional information on the needs of the Center and the activities proposed.

The Center for Agricultural and Rural Development was established in 1963. The university indicated that funding for the Center was at a critical point and that the public policy research programs of the Center would have to be curtailed if funding was not increased at this time. The Center is receiving approximately $400,000 in university funds for fiscal year 1987 and has attracted additional federal and other research support for a total budget of slightly over $2 million. The university speculates that the addition of $500,000 in state funds would assist the Center in attracting added federal funds for a total proposed budget for FY 1988 of $3 million dollars.

In October the Board Office recommended and board approved an extraordinary increase in the Agricultural and Home Economic Experiment Station budget request. The equipment budget asking was $486,000, more than double the Fiscal Year 1987 budget for equipment. In the Improving Educational Quality category, the board approved over $1.7 million in new funding requests, which alone would be a 12 percent increase over the fiscal year 1987 operating budget for the Experiment Station. When compared as a percentage of the operating budget, the Improving Educational Quality request for the Experiment Station was almost triple that of any other budget unit, including the general universities.

The board approved a generous amount for the Experiment Station fiscal year 1988 budget request and included the university's top three Improving Educational Quality requests. The Board Office recommended that further increases in the budget request be denied.

The Board Office recommended that the board retain its earlier request of $1.7 million for Experiment Station's Improving Educational Quality requests.

The Fiscal Year 1988 Operating Budget Request approved by the Board in October did not explicitly specify priorities within the request. Each of the institutions, however, indicated its priorities through the process of submitting the individual parts of their requests in the form of decision packages for the state budget preparation system.

For each of the institutions the requests necessary for restoration of the Fiscal Year 1987 base and for annualization of salary increases have been given highest priority. Following these are listed all the remaining requests including inflation, supplemental requests for equipment and building repairs, Improving Educational Quality and Opening New Buildings.

Highest priority in discussions of the budget request was given to the requests for Improving Educational Quality. Emphasis was also placed upon
the supplemental funds requested for equipment and building repairs for each of the universities.

The operating budget request for the Regent institutions for Fiscal Year 1988 will be for an increase of $38.9 million over Fiscal Year 1987 with the addition of annualization. This total continues to exclude salary increases for Fiscal Year 1988. After the deduction of a projected net increase in institutional income of $3.2 million (excluding increased tuition income), the increased appropriations need is $35.7 million in Fiscal Year 1988 (excluding salary adjustments).

The increase of $660,000 in the utility category of the operating budget represents the net increase after transfers from salaries and supplies and services to establish the utility enterprises. The total increase includes projected increases in sewer, fire and refuse services, inflationary increases for the supplies included in this category, Iowa State University's increase of $400,000 for its share of increased costs for water pollution control, increases in miscellaneous gas and electricity purchases (for areas not served by the enterprises) and, at the University of Iowa, an increase in the cost of purchased electricity. These budget increases were approved by the board in October.

The total Improving Educational Quality request of $18.3 million does not include the $500,000 recommended for approval this month for Iowa State University's Center for Agricultural and Rural Development. It also does not include the $2.5 million dollars previously requested for Iowa State University's Research Park Development, as this amount has been transferred to the Regents capital request.

Requests in other expenditure categories are as previously reported to the board.

President Eaton stated he is opposed to the Board Office recommendation concerning the Center for Agricultural and Rural Development. He stated he was dismayed over the lack of agricultural research in the state as compared to agricultural receipts, and he felt the need to make an extraordinary request. He said that legislators had told them they did not ask for enough. He said the board had, in fact, passed along requests of the kind necessary, and the legislature had denied them. He said the investment in CARD is one from there would be considerable return. He asked that the board take a position contrary to the Board Office recommendation.

Regent Greig spoke in support on President Eaton's request. He said through the functioning of CARD, the state could put together a reasonable farm program. He said Congress was looking at Iowa State to come up with some of the answers. He said if the board turned this down, it would be hurt. He added the state was at a very critical stage.
MOTION: Regent Greig moved that the board financially fund the Center for Agricultural and Rural Development for an additional $500,000. Regent Duchen seconded the motion.

Regent Anderson asked why Mr. Richey did not include it in the recommended action.

Mr. Richey stated his feeling was that there had been a substantial effort made in making agricultural research program a major request. The initial budget request did not specifically address this project.

Regent Anderson asked if the rejection was based on keeping percentage increase within a certain level.

Mr. Richey stated his point was that the board had made a major request, and the addition of this was not necessary in terms of making a major commitment to agricultural research. He stated that, if the board felt this program deserves support despite the recommendation, it was within the prerogative of the board to support it.

Regent Anderson asked if the program was so critical, could the funds not have been found elsewhere in the university's budget.

President Eaton stated it would have had to have been elsewhere in agricultural, and the university's feeling was that there had been substandard funding for so long in agricultural research. He indicated one of the issues at stake was the possible loss of the director of the program who could see that things were better in other states. He stated the university did not want to lose this person.

Vice President Ellis stated that one institution does not comment on another's proposals and only because of the exceptional situation that he chose to comment. He said he had no basis of making any judgments about the propriety of the request. He stated he was concerned about what the addition of this proposal and what the legislature would say about the board's perception of the relationship between the institutions. He said that, the general fund appropriations of the University of Iowa and Iowa State University with the Agricultural Experiment Station were compared, it would be seen that the figure was about the same. He said the amounts were the same in spite of the fact that the University of Iowa had a larger student body which means that the dollars per student is less at the University of Iowa. He noted that the board's request this year did increase the appropriations to Iowa State University above that of the University of Iowa already. He said if the board added an additional amount to Iowa State University that would further increase the disparity of the request. He said that would say something to the world. He said the University of Iowa had a
whole list of unmet needs. He said the board should be concerned about what this would say to the legislature and the state.

President Eaton stated he had a very strong personal concern about the maintenance of interinstitutional equity and amicability.

Regent Anderson stated she thought the question of equity was an important question but she did accept President Eaton’s concerns. She said she expected some of the board members would not be on the board much longer. She said, over a period of time, the equity issue was very important. She noted that she was not sure that it was so important year to year but over a period of time it was essential.

Regent Anderson stated the agricultural emphasis issue needed to be rethought, and on that basis there was some justification for the request.

Regent Greig stated he is an agriculturist but was not pro toward any one university. He said he had to speak because the center was so important to the state of Iowa. He stated as long as he was on the board he would try to maintain equity, but this request was an exception to the rule.

Regent Anderson stated, in addition to the equity issue, she had real concern over the procedural issue. She said a damage to the process would be set in motion with the approval of this request which could damage the credibility of the process in the future. She stated she was not concerned about the merit of the request and asked why it was not brought to the board earlier.

President Eaton said it did not prevail earlier because the total exceeded the 5 percent guidelines. He stated this request was actually an exception on top of a previous exception.

Vice President Madden stated he may have been derelict in not pushing the request last month but did not because of the lateness of the hour during the budget discussions in October.

VOTE ON MOTION: The motion was passed with Regent Anderson voting no.

President Eaton stated he would not speak to the recommendation concerning the Water Resources Institute.
ACTION: Acting President Harris stated the balance of the report on the Regents Operating Budget Requests for Fiscal Year 1988 was received by general consent of the board.


In October the board approved a capital program of $130,005,000. The Board Office indicated that a priority listing of capital projects would be developed for board consideration and action in November. The Board Office has been working with the institutions in further refining institutional priorities and building a ranking of all Regent capital requests.

The recommended first priority is to continue ongoing efforts to eliminate fire and environmental safety hazards and upgrade alarm systems at university facilities. A total of $1,450,000 was recommended for the three universities. Examples of some of the major fire safety projects the universities would accomplish are constructing fire walls to prevent the spread of smoke and fire, installation of fire alarm systems, and constructing second exits to comply with codes. Priority #2 is funding for the first phase of the College of Home Economics project at Iowa State University. The initial $5.1 million phase will construct an addition to the existing Home Economics Building and provide new laboratory and classroom space. This project has been on the Regents’ capital request list in the past, and this year is the university’s number one capital recommendation.

Priority #3 is to construct a Laser-Biotechnology Laboratory facility at the University of Iowa. The building will provide office and laboratory space for a major national research and educational center in laser science and engineering. The new structure will enhance research efforts in the area of laser science by the Departments of Chemistry, Physics and Astronomy, and the College of Engineering. As discussed at the October board meeting, this project is directly related to the university’s proposed use of $1.5 million in lottery funds and an equal sum in match for three endowed Laser Science and Engineering faculty chairs. This project is the University of Iowa’s highest priority.

The next priority is to fund the laboratory and classroom equipment for the recently opened Agronomy Building at Iowa State University. The $2 million request approved by the board in October is to purchase the most critical equipment for the Agronomy Building. The university has ranked this project second behind the Home Economics addition.

The remodeling of Latham Hall at the University of Northern Iowa is the fifth priority recommended by the Board Office. The remodeling will provide modern instructional facilities for Home Economics and Earth Science and will enable...
the departments to be consolidated into a single location. This was the board’s first priority for the university last year although it was displaced by the new Classroom and Office Building project in the bonding resolution adopted by the General Assembly. For 1987, the remodeling is the highest ranking project recommended by the university.

Planning funds for two major projects at Iowa State University are priorities #6 and #7. The planning funds are for a major structure to house the university’s molecular biology programs, including the Departments of Biochemistry and Biophysics and Genetics. Planning funds are also recommended for a major remodeling of the Animal Science Outlying Research Centers.

The Molecular Biology Building will enable the university to focus its research efforts in molecular biology. Construction funds for the Molecular Biology Building are included in the Regents’ approved capital request for Fiscal Year 1988. The programs and activities to be housed in the Molecular Biology Building would be supported by lottery funds made available to enhance agricultural biotechnology research programs at Iowa State University. $3.75 million has been allocated to Iowa State University in Fiscal Year 1987 and $4.25 million in lottery funds will be available each year for the next four years.

Upgrading the facilities on outlying research farms for animal science research is priority #7. Planning funds are recommended to prepare designs for the replacement and improvement of the facilities at the university’s five major research centers. The project will start replacing extremely poor facilities at the centers. The outdated facilities limit the university’s research efforts in swine nutrition, management, and environmental research.

Recommended priority #8 is the construction of streets and utility connections for development of the University Research Park. The site for the Research Park is the southwest corner of U.S. Highway 30 and Elwood Drive. Development of the site is necessary to attract high technology firms. The university has stated that these funds are needed to be combined with funds from private sources and the city of Ames to complete the basic utilities for the Research Park.

Planning funds for the addition to the College of Engineering Building at the University of Iowa is priority #9. The addition will provide critically needed laboratory space for Electrical Engineering, Biomedical Engineering, and Chemical Engineering.

Recommended priority #10 is the Animal Care Facility and Monoclonal Antibody Production Laboratory at the Veterinary Medicine Research Institute of Iowa State University. The laboratory will provide the needed space to develop quality antibodies necessary to conduct animal science research. The animal
holding facility will meet new, stringent federal regulations concerning housing of laboratory research animals.

A new electrical interconnection with the city of Ames is priority #11. The project will improve the reliability of electrical service by connecting the university with the city of Ames and the midwest utility grid. Without interconnection, the university has no reliable back-up capacity for electrical service.

Recommended priority #12 is the addition to the University Library at the University of Northern Iowa. The project will construct an additional floor on the library and provide needed space for the library operations.

The remodeling of the Old Law Center is priority #13. The project will correct fire safety and building code deficiencies as well as remodel space for an international study center. The relocation of the international study center to the Old Law Building will in turn free up badly needed space on the east campus.

The recommended priority for the remainder of the approved capital projects are listed on the table on the last page of this memorandum and described in detail in the enclosed university narratives. Those projects include Pharmacy remodeling and Business Administration Building planning at the University of Iowa, Wright Hall remodeling and a boiler replacement project at the University of Northern Iowa, partial funding of the Meat Irradiation Facility and Food Crops Research Center remodeling at Iowa State University, and several other utility improvement projects.

The Board Office requests that the board take action on this capital priority list so that it can be transmitted to the Governor and Department of Management.

Director True stated that last month the board approved a capital program of $130,005,000 and would now like to prioritize these expenditures. In developing the priority listing of capital projects, the Board Office followed institutional priorities very closely. An exception to the universities' recommendations was that the Animal Science Outlying Research Center project was moved forward due to the deplorable condition of those facilities and the urgency of the project. Another exception is that the fire and environmental safety projects were given top priority by the Board Office. The institutions had given them considerable attention but had not identified them as the first priority. The final exception is that the University of Iowa Old Law Center and Pharmacy projects were placed ahead of the Business Administration Building Planning. The Old Law Center project is a remodeling that will relieve much congestion on the east campus, including creating 15,000 square feet of additional space for the Business College. The Pharmacy project is an important environmental health-related remodeling which includes fume hood replacements.
## Recommended Priority of Capital Projects

**Fiscal Year 1988**

(000's Omitted)

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budget 1986</th>
<th>Budget 1987</th>
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<tbody>
<tr>
<td>All Fire and Environmental Safety</td>
<td>$1,450</td>
<td>$1,450</td>
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<tr>
<td>ISU Home Economics--Phase I</td>
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<td>SUI Laser-Biotechnology Lab--Phase I</td>
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<td>ISU Agronomy Building Equipment</td>
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<td>37,010</td>
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<td>ISU Molecular Biology Building--Planning</td>
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<td>ISU Animal Science--Outlying Research Centers--Planning</td>
<td>624</td>
<td>40,134</td>
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<td>ISU University Research Park Development</td>
<td>2,500</td>
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<td>SUI Engineering Building Addition--Planning</td>
<td>1,500</td>
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<td>SUI VMRI Animal Holding and Monoclonal Antibody Production Lab</td>
<td>1,925</td>
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<td>ISU Electrical Interconnection with City of Ames</td>
<td>2,000</td>
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<td>UNI Power Plant Addition (Boiler Replacement Project)*</td>
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<td>56,559</td>
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<td>SUI Old Law Center Remodeling</td>
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<td>SUI Pharmacy Remodeling</td>
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<td>UNI Wright Hall</td>
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<td>UNI Library Addition</td>
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<td>SUI Business Administration Building--Planning</td>
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<td>SUI Water Plant Expansion</td>
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<td>ISU Meat Irradiation Facility</td>
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<td>ISU Food Crops Research Center Remodeling</td>
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<td>SUI 15 KV Electrical Substation L</td>
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<td>SUI Waterline Replacement to West Campus, Phase II</td>
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<td><strong>Total</strong></td>
<td><strong>$77,005</strong></td>
<td><strong>$130,005</strong></td>
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November 19-20, 1986

President Freedman stated he appreciated the Board Office listing the Laser-Biotechnology Laboratories--Phase I so high on the list and said he was very grateful for the high ranking. His only other comment is that #9, the Engineering Building Addition Planning and #17, the Business Administration Building Planning, are very far apart. He feels these are of equal priority and the Business Administration Building should be moved to a higher priority.

Regent Anderson asked, in terms of setting capital priorities, why did the Board Office think it would have a better feel of the priorities within the institution than the institution had.

Mr. Richey stated it was always an issue when the Board Office substituted its judgment for that of the institutions. He said sometimes the institutions have internal constituencies they have to appropriately address but may not be the priorities of the board. He added the Board Office did not ever substitute its judgment for the institutions without very careful consideration, and it was done very reluctantly and on the basis of the facts and the overall priorities of the board.

Regent Duchen asked what was the time frame of the Power Plant Addition at the University of Northern Iowa and if there was danger in waiting.

President Curris stated he felt there were some serious dangers, but he also recognized that this could degenerate into interinstitutional competing. He indicated he felt the project should be listed higher. He said he was talking about two things with the project. One was the physical building which needs to be torn down and consolidated with another building and the construction of the business building which will be located very near the boiler plant.

Regent Greig asked if the priorities on the list this year could change.

Mr. Richey said it does establish a priority list over the years, but conditions change and, therefore, priorities must change. The list does establish a precedent. He stated the power plant addition and its placement on the list was a concern to him. He felt it was too low, but it appears there as a result of the priority given it by the institution. He said the Board Office tried to honor the institution's priority list by placing the Library Addition above it.

Regent Anderson stated, if the board approved the priority listing, it should be very clear that it was the board's priority. She stated she had some real concern about ending up in the legislature with different priorities. She said everyone had to make a real effort to keep the priority listing approved by the board. She noted that Home Economics had been on the top of the list for years and never made it through the legislative process. She indicated
she realized that agriculture and economic development would be catch words in the legislature this session, it was the board’s responsibility to see that the Home Economics building gets the funds.

Regent Tyler agreed with Regent Anderson and felt that this was crucial. If this is the approved list, then this should in fact be the program.

Acting President Harris stated that if the board approves the list then it obviously becomes the priority list.

Regent Duchen asked what year would they have the new boilers at the University of Northern Iowa.

Director True stated the university had taken action to secure oil overcharge money to do an engineering study to look at the reliability of the boiler to determine what needs to be done and how soon it should be done.

Regent Duchen asked if the board adopts the priority list and get the studies done, what year would the boilers be replaced.

Director True stated it would take three years to construct coal fired boilers if the process began right now.

Regent Duchen asked what would be the additional cost in three years to maintain the current boilers.

President Curris stated that the university knew the boilers needed to be replaced but was not sure with what kind. The study should be completed in two months. The maintenance cost would be above $250,000 a year.

Regent Murphy said in other words extenuating circumstances have not put the boilers ahead of the Library.

President Curris stated he felt both of them ought to be high. He stated they had attempted to some have consistency in what was presented to the board. He said they had indicated Latham Hall was the number one priority, and the library addition was put second. The boiler project was a new project. He indicated that perhaps they should have put the boiler project above the library but made a judgment call and put it third. He indicated he would have no problem if the board wanted to reverse the two projects.

MOTION:  
Regent Duchen moved that the board exchange the Power Plant Addition (Boiler Replacement Project) with the Library Addition on the list of priorities for the University of Northern Iowa. Regent Anderson seconded and the motion carried unanimously.
Regent Tyler stated he wanted to make absolutely certain that, with respect to the implementation of these priorities, was it fair to say the members of the board should expect and insist that the priorities were adhered to without exception.

MOTION:
Regent Tyler moved that the board approve the Capital Budget Priorities for Fiscal Year 1988 as amended. Regent VanGilst seconded and motion carried unanimously.

PLANNING AND BUDGETING FOR IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL. The Board Office recommended acceptance of the Iowa School for the Deaf budget request for Fiscal Year 1988 of $4,738,700 and a necessary salary annualization budget increase; that the board defer consideration of the Iowa Braille and Sight Saving School budget until the December board meeting; and consider at the December meeting the budget oversight policies adopted in April for the special schools.

Last April the board directed the Board Office and both special schools to carefully examine budget, program and facility changes possible as the result of declining student enrollments. The Iowa School for the Deaf staff was very cooperative and results of that process for the school are enclosed as budget recommendations for fiscal year 1988. For the Iowa Braille and Sight Saving School there has not yet been sufficient information developed for the Board Office to make a thoughtful recommendation to the board.

The Board Office recommended an Iowa School for the Deaf budget request for fiscal year 1988 of $4,738,700. This amount is exclusive of annualization costs and would be a reduction from the fiscal year 1987 budget of almost $300,000. This budget is $44,000 less than proposed by the school.

The school administration was cooperative in meeting with the Board Office and exploring alternatives for savings. The principal savings identified have been due to reductions of faculty and consolidation of facilities being used. These savings were possible due to declining enrollments. Also due to declining enrollments, the Board Office recommended that an inflation adjustment request for supplies and services of $43,628 be eliminated. The Board Office recommended the library book inflation increase be reduced from 18 percent to 12 percent, or a reduction of $300 from the school’s request. These recommendations have been discussed with the school.

There will probably be reductions in utility costs due to the proposed consolidations. However, the Board Office concurred with the school that for fiscal year 1988 there would be offsetting, nonrecurring costs for energy management and control equipment in facilities being vacated.
The school originally submitted a proposed fiscal year 1988 budget of $5,297,074, which was $264,190 more than its fiscal year 1987 budget. The proposed increase consisted of $50,356 in inflationary adjustments to supplies and services, equipment, library books and building repairs. Additional requests for equipment and building repairs of $213,834 were derived from a depreciation formula.

Since the school’s request was received the Board Office and school administrators have discussed a number of savings opportunities due to the 19 percent enrollment decline this year. A consequence of declining enrollments is a reduced need for faculty. The school estimated that as many as ten faculty positions could be phased out as the result of lower enrollments. Another consequence of reduced enrollments is a declining need for houseparents.

The superintendent’s recommendations included phasing out Primary Hall occupancy and utilizing the girls’ dormitory for students who had previously occupied Primary Hall. Substantial savings would be realized in maintenance staff, fuel and purchased electricity, and houseparent staff. The superintendent also mentioned the possibility of leasing the vacated property such as is done for some of the buildings on the Iowa Braille and Sight Saving School campus.

Other consolidation recommendations included closing the laundry building and making staff adjustments possible from the recent consolidation of the boys’ dormitory operations in the east wing of the main building. It was proposed that the existing laundry operation be moved to the east wing basement of the main building. According to the superintendent, continued reduction of enrollment precludes the need for large commercial laundry equipment. Smaller, domestic washers and dryers could replace this equipment. Under this proposal, students could clean their clothes under the supervision of houseparent staff. Minor staff reductions would occur through closing the laundry operations.

An additional recommendation recently discussed with the school is the transfer of the infirmary functions to space in the main building. The future status of the Infirmary Building could then be considered.

The Iowa School for the Deaf staff prepared a report identifying the salary budget savings from selective staff reductions. These estimates are summarized below.
Much of the above staff reductions could occur through attrition. Reduction in force not through attrition could require unemployment benefits to be paid. The school has already considered that there could be some nonrecurring losses in fiscal year 1988 and has reduced the estimated salary savings accordingly.

The ten faculty positions which can be eliminated have not been identified by program. The board will be appointing a new superintendent prior to fiscal year 1988, and it may wish to have the new superintendent make those decisions.

In April the board adopted selected budget oversight policies for the special schools. The board president or his designee was to provide this oversight. It was recommended that these policies be reconsidered by the board at its December meeting following action on the Iowa Braille and Sight Saving fiscal year 1988 budget request.

Superintendent Giangreco said he believed the Board Office did a good job on the budgeting for the Iowa School for the Deaf and had nothing more to say about it.

MOTION: Regent Tyler moved that the board approve the Iowa School for the Deaf budget request for Fiscal Year 1988 of $4,738,700 and a necessary salary annualization budget increase; that the board defer consideration of the Iowa Braille and Sight Saving School budget until the December board meeting; and consider at the December meeting the budget

<table>
<thead>
<tr>
<th>Action</th>
<th>Position Reduced</th>
<th>FTE</th>
<th>FY-88 Budget Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidation of Boys Dormitory</td>
<td>15</td>
<td>6.9</td>
<td>$150,000</td>
</tr>
<tr>
<td>Close Primary Hall and Consolidate Girls Dormitory</td>
<td>7</td>
<td>3.4</td>
<td>$150,000</td>
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<tr>
<td>Close Laundry and Reduce Sewing Services</td>
<td>3</td>
<td>2.1</td>
<td>$150,000</td>
</tr>
<tr>
<td>Faculty Reductions</td>
<td>10</td>
<td></td>
<td>$150,000</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>22.4</td>
<td>$300,000</td>
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</table>
oversight policies adopted in April for the special schools. Regent Greig seconded the motion, and it passed unanimously.


Legislative programs of the Governor and legislative leaders are beginning to be developed now that the election is completed. The next legislative session begins on January 12, 1987, and the Governor's budget and legislative program is expected to be presented shortly thereafter.

In preparation for the 1987 legislature session, it is planned that the board's legislative program be discussed initially at the November meeting and again at the December meeting. The Board Office requested institutional heads to organize suggestions for the board's 1987 legislative program by the end of November for consideration by the board in December. Much of the board's 1987 legislative program has already taken shape through adoption of a fiscal year 1988 budget request. That request will be presented to the Governor at a public hearing scheduled for December 15. The Governor's budget recommendations will be presented to the General Assembly in January, 1987. Additional budget issues will emerge throughout the legislation session, but the basic financial needs of the Board of Regents have already been set and transmitted to the Governor and to the Legislative Fiscal Bureau.

ACTION: Acting President Harris stated the Legislative Program Report for 1987 was accepted by general consent of the board.

INSTITUTIONAL ROAD PROGRAM FOR 1987-92. The Board Office recommended approval of the recommended 1987 program totaling $750,000 for construction and engineering, and $250,000 for maintenance costs; approve the recommended Five-Year Institutional Roads Program for 1988-92, which totals $4,500,000; and receive the list of identified unmet institutional road needs at the institutions totaling $10,717,000 and direct that these reports be forwarded to the Iowa Department of Transportation (IDOT).

An Institutional Roads Committee, composed of Michael Finnegan from the University of Iowa, John Harrod from Iowa State University, Leland Thomson from the University of Northern Iowa, and Richard Runner from the Board Office, met over the past month to develop the Board of Regents Five-Year Institutional Roads Program.

The program is designed to maintain and improve the approximately 55 miles of roads under the control of the Regents and to provide for needed new construction. The special schools did not identify any road construction needs during the five year planning period.
The planning cycle for the Institutional Roads Program covers 1987-1992. The year 1987 is identified as an "Accomplishment Year," the year which construction projects are accomplished. Funds for the Institutional Road Program are allocated on a calendar year basis and are available beginning January 1 of each year.

The Institutional Roads Program includes estimates of routine road maintenance needs at the institutions. The annual amount programmed for maintenance is $250,000, which is based upon a three-year average of maintenance costs. These costs vary considerably each year depending on the amount of snow removal and emergency repair costs incurred.

The program pays for engineering and administrative costs. These costs are included in the estimated cost for each project. Each year's program identifies projects scheduled for that year by institution.

The Board of Regents Institutional Roads Program also identifies institutional road needs which cannot be met within the funding constraints of the six years of the program. These projects are listed in the following pages. Unmet construction needs beyond those programmed for the next six years total $10,717,000.

The projects contained on the unmet institutional roads list are recognized as current needs at the Regent institutions. Their placement on this list is necessary because of the limited funding available through the State Parks and Institutional Roads Program. Through the period of the 1987-92 Institutional Roads Program, only 29.6 percent of the identified road construction needs can be programmed within the $4,500,000 available.
### 1986 Current Year

#### Construction Program
(including engineering and administration fees)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Description</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>SUI</td>
<td>Hawkins Drive Loan Payment #4</td>
<td>$ 60,000 (1)</td>
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<td>SUI</td>
<td>*Library Southside Development</td>
<td>106,000</td>
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<tr>
<td>ISU</td>
<td>*Vet. Med. and Student Apartments Asphalt Surface Replacement--1.5 miles</td>
<td>200,000 (2)</td>
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<tr>
<td>SUI</td>
<td>*New Law Building Road--0.15 miles</td>
<td>82,000</td>
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<tr>
<td>UNI</td>
<td>*Wisconsin Street Reconstruction--Phase I--0.13 miles; Campus Street Reconstruction</td>
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<tr>
<td>SUI</td>
<td>*Reconstruct Water Plant Drive</td>
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<tr>
<td>SUI</td>
<td>Newton Road Relocation/Improvements--Repayment</td>
<td>126,000</td>
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</tbody>
</table>

Total Construction $ 792,000

Estimated Maintenance
(including repair, upkeep, and snow removal) $ 200,000

TOTAL 1986 PROGRAM $ 992,000

(1) Fourth of ten payments of an interest-free loan of $600,000 made by IDOT to Board of Regents.

(2) Estimated project cost includes $34,000 of emergency road repairs carried over from 1984.

*Initiates new project
1987--Construction Year

Construction Program
(including engineering and administration fees)

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<td>Hawkins Drive Loan Payment #5</td>
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<td>*Polk and Story County Farm Roads Reconstruction</td>
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<tr>
<td></td>
<td>4.75 miles</td>
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<td>SUI</td>
<td>Water Plant Drive Repayment</td>
<td>92,000</td>
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<td>SUI</td>
<td>*Hospital Road Reconstruction--Parking Ramp #1</td>
<td>66,000</td>
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<td>SUI</td>
<td>Library Southside Development--Repayment</td>
<td>59,000</td>
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<tr>
<td>UNI</td>
<td>*Nebraska Street Extension (30th Street to 27th Street)--Two Lanes--0.20 miles</td>
<td>215,000</td>
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<td>SUI</td>
<td>*Hospital Loading Dock Road Reconstruction</td>
<td>80,000</td>
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<tr>
<td>ISU</td>
<td>*Elwood Drive and Sixth Street Signalization</td>
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<td>ISU</td>
<td>*Resurface Selected Campus Streets--Phase I</td>
<td>102,000</td>
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<tr>
<td></td>
<td>Union Drive--0.42 miles</td>
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<td></td>
<td>WOI Road--0.17 miles</td>
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<tr>
<td></td>
<td>Welsh Road--0.30 miles</td>
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Total Construction $ 750,000

Estimated Maintenance
(including repair, upkeep, and snow removal) $ 250,000

TOTAL 1987 PROGRAM $1,000,000

*Initiates new project
1988--Year 1 of Five-Year Program

Construction Program
(including engineering and administration fees)

<table>
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<tr>
<th>Institution</th>
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<td>SUI</td>
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<td>SUI</td>
<td>Library Southside Development Final Repayment</td>
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<td>Polk and Story County Farm Roads Reconstruction</td>
<td>30,000</td>
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<td>SUI</td>
<td>*Hancher Auditorium, North Entrance Drives Reconstruction</td>
<td>34,000</td>
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<td>UNI</td>
<td>*Nebraska Street--Widen to Four Lanes from 27th Street to UNI-Dome--0.15 miles</td>
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<td>UNI</td>
<td>Nebraska Street Extension (30th Street to 27th Street)--Repayment</td>
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<td>ISU</td>
<td>Northwest Campus Loop Road (Engineering)</td>
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<td>SUI</td>
<td>*Hospital Emergency Drive Realignment</td>
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<tr>
<td>SUI</td>
<td>*Hawkins Drive/Stadium Drive Intersection</td>
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Total Construction: $750,000

Estimated Maintenance
(including repair, upkeep, and snow removal) $250,000

TOTAL 1988 PROGRAM $1,000,000

*Initiates new project
### 1989--Year 2 of Five-Year Program

**Construction Program**
(including engineering and administration fees)

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<td>ISU</td>
<td>*Veterinary Medicine Research Institute Complex Road Resurfacing--0.30 miles</td>
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<td>SUI</td>
<td>Hawkins Drive/Stadium Drive Intersection--Repayment</td>
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<tr>
<td>ISU</td>
<td>*Resurface Selected Campus Streets--Phase II--1.5 miles</td>
<td>105,000</td>
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<td>SUI</td>
<td>Hancher Auditorium, North Entrance Drives Reconstruction--Repayment</td>
<td>177,000</td>
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<td>SUI</td>
<td>*Oakdale Campus Road System Reconstruction</td>
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<td>ISU</td>
<td>Haber Road Underpass and Northwest Loop Road (Engineering Studies)--Repayment</td>
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<tr>
<td>UNI</td>
<td>22nd Street Widen from Nebraska to Hudson</td>
<td>127,000</td>
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Total Construction

$750,000

Estimated Maintenance
(including repair, upkeep, and snow removal)

$250,000

Total 1989 Program

$1,000,000

*Initiates new project
1990--Year 3 of Five-Year Program

Construction Program
(including engineering and administration fees)

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<td>SUI</td>
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<td>Northwest Campus Loop Road from Pammell to Kooser</td>
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<td>SUI</td>
<td>Newton Road/Glenview Avenue Connector--Repayment</td>
<td>247,000</td>
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<td>SUI</td>
<td>Hancher Auditorium, North Entrance Drive</td>
<td>95,000</td>
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<td>Reconstruction--Repayment</td>
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<tr>
<td>UNI</td>
<td>*Physical Education/Recreation Road</td>
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<td>Resurface Selected Campus Streets--Phase II--</td>
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<td>Repayment</td>
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Total Construction $ 750,000

Estimated Maintenance
(including repair, upkeep, and snow removal) $ 250,000

TOTAL 1990 PROGRAM $1,000,000

*Initiates new project
1991--Year 4 of Five-Year Program

Construction Program
(including engineering and administration fees)

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<th>Project</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
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<td>ISU</td>
<td>*Resurface Selected Campus Streets--Phase III</td>
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<td>UNI</td>
<td>*Maucker Union Road Reconstruction</td>
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<td>Newton Road/Glenview Avenue Connector--Repayment</td>
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<td>UNI</td>
<td>*Price Lab School Road Reconstruction--0.20 miles</td>
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<td>ISU</td>
<td>Northwest Campus Loop Road--Repayment</td>
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Total Construction $750,000

Estimated Maintenance
(including repair, upkeep, and snow removal) $250,000

TOTAL 1991 PROGRAM $1,000,000

*Initiates new project
1992--Year 5 of Five-Year Program

Construction Program
(including engineering and administration fees)

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<th>Institution</th>
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<th>Estimated Cost</th>
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<td>Resurface Selected Campus Streets--Phase III--Repayment</td>
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<tr>
<td>UNI</td>
<td>*Biology Research Complex Road Reconstruction--0.06 miles</td>
<td>40,000</td>
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</table>

**Total Construction**

| Estimated Maintenance (including repair, upkeep, and snow removal) | $250,000 |

**TOTAL 1992 PROGRAM**

| $1,000,000 |

*Initiates new project

**MOTION:**

Regent Anderson moved that the board approve the Institutional Road Program for 1987-1992 as prepared by the Board Office. Regent Duchen seconded the motion and it carried unanimously.
PROPOSED CHANGES TO INDENTURES FOR POWER PLANT IMPROVEMENT BONDS. The Board Office recommended adoption of a "Resolution authorizing First Supplemental Indenture respecting $35,700,000 Utility System Revenue Bonds (State University of Iowa) Series S.U.I. 1985" and adoption of a "Resolution authorizing First Supplemental Indenture respecting $32,500,000 Utility System Revenue Bonds (Iowa State University of Science and Technology) Series I.S.U. 1985."

In December, 1985, the board issued revenue bonds to construct replacement boilers at the University of Iowa and Iowa State University. The original indentures issued with those bonds provide that the board and the trustee may adopt supplemental indentures when warranted.

Moody's Investors Service of New York has requested revisions to the original indentures. Supplemental indentures have been drafted addressing all of Moody's concerns. The supplemental indentures involve language revisions necessary to obtain the desired credit rating of AAA from Moody's Investors Service for the boiler bonds. The board's bond counsel, Lee Boye of Chapman & Cutler, has drafted supplemental indentures and indicates the changes involve inserting specific language to clarify what is already understood or stylistic changes.

The supplemental indentures have been reviewed and the board is asked to adopt two resolutions, one for the University of Iowa and a second for Iowa State University adopting the supplemental indentures for the Utility System Revenue Bonds, Series 1985.

Associate Director Runner recommended the board adopt both resolutions.

Regent Tyler asked if this would substantially change anything.

Associate Director Runner said that the supplemental indentures merely clarify language and would not change anything.

MOTION: Regent VanGilst moved that the board adopt the "Resolution authorizing First Supplemental Indenture respecting $35,700,000 Utility System Revenue Bonds (State University of Iowa) Series S.U.I. 1985". Regent Duchen seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald
General
November 19-20, 1986

MOTION: Regent Anderson moved that the board adopt the "Resolution authorizing First Supplemental Indenture respecting $32,500,000 Utility System Revenue Bonds (Iowa State University of Science and Technology) Series I.S.U. 1985." Regent Duchen seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald

IOWA SCHOOL FOR THE DEAF AND IOWA BRAILLE AND SIGHT SAVING SCHOOL ADVISORY COMMITTEE. The Board Office recommended that the board discuss the role of the Iowa School for the Deaf and the Iowa Braille and Sight Saving School Advisory Committee with the committee chair.

At the September board meeting the board received the report on the Iowa Braille and Sight Saving School and the Iowa School for the Deaf Advisory Committees. At that time the board indicated a desire to work more closely with the advisory committees. The board requested that it have an opportunity to discuss the role of the committee with the committee chairpersons.

The Iowa Braille and Sight Saving School does not have a chair for its advisory committee due to the resignation of Professor Catherine Hatchec. The Iowa Braille and Sight Saving School Advisory Committee has not met yet this year to select a new chair since Superintendent DeMott has indicated that he has no matters for the Iowa Braille and Sight Saving School Advisory Committee to discuss. The receipt of the Iowa School for the Deaf and the Iowa Braille and Sight Saving School long range plans provides an opportunity for the board to refer the various recommendations contained in the plans to the advisory committees for review and recommendation.

Mr. Richey stated that Dr. Anton Netusil, professor from Iowa State University and chair of the Iowa School for the Deaf Advisory Committee, had been present yesterday, and he would be asked to be present at a future board meeting. Mr. Richey stated he will try to get an early meeting with the Advisory Committee in Vinton.

REPORT ON ACADEMIC REVENUE BOND REFUNDING. The Board Office recommended receipt of the report by the board.

In October, 1986, the board authorized the Board Office to work with Iowa State University and the University of Northern Iowa and proceed with arrangements for the sale of Academic Building Revenue Refunding Bonds. The
board approved a resolution directing the advertisement for the sale of the bonds and authorizing the Executive Secretary to fix the date for the sale of the bonds.

Since the October board meeting, representatives of the board's financial advisor, Springsted, Inc., have been monitoring the results of the University of Iowa's refunding bonds issued in September. Not all of these bonds have been sold by the syndicate of brokers which purchased the bonds from the board.

Traditionally, the board attempts to keep a three-month lag between the sale of bond issues. This allows the Iowa market to digest these bonds prior to the next sale. The objective of doing that in this instance is to achieve the most favorable interest rate for the Iowa State University and the University of Northern Iowa refunding issues. Therefore, the resolutions were approved in October granting the Executive Secretary the authorization to set the date of the sale.

Originally, the Iowa State University and University of Northern Iowa Refunding Bond sales were scheduled for November. Because Regent bonds are sold primarily to individual Iowans, Springsted, Inc., has recommended that the Executive Secretary defer the sale of the new refunding bonds for up to one month. They are now recommending that the sale be held at the December board meeting. The universities are proceeding with preparations for the sale in mid-December.

The financial advisor will continue to monitor progress on the resale of the University of Iowa Refunding Bonds. A further update will be provided at the board meeting.

ACTION: Acting President Harris stated that the report was received by general consent of the board.

REPORT ON INVESTMENT BANKING COMMITTEE. The Board Office recommended the board receive the report.

A meeting of the Regents' Banking Committee was held at 7:30 a.m. on November 20, prior to reconvening of the full board. Regent Duchen chaired the meeting.

The first item discussed was regarding the resignation of a key individual at Springsted, the board's financial advisor. Director True noted that one of the two principal persons working with the board had resigned. The committee concluded that it would watch to see if the board continued to get the service it felt appropriate.
Also discussed at the meeting were presentations by institutional treasurers of quarterly reports on investments as required by the Regents' new investment policy.

The committee suggested the Board Office work with the special schools with regard to segregation of duties in the treasurers' functions to determine if that can somehow be ameliorated.

**ACTION:** Acting President Harris stated the report on Investment Banking Committee was received by general consent of the board.

**REPORT ON TARGETED SMALL BUSINESS PROCUREMENT PROGRAM.** The Board Office recommended receipt of the report by the board.

Senate File 2175 adopted by the 1986 General Assembly requires the Board of Regents and the Regent institutions to take certain actions to promote procurement from Targeted Small Businesses. In July the board adopted rules that outlined the Regents' Targeted Small Business program. Since adoption of the rules, the Board Office and the institutions have cooperatively developed policies to implement the Regents' Targeted Small Business program.

The legislation requires award to certified Targeted Small Businesses at least two percent with a goal of up to ten percent of the value of anticipated procurements of goods and services each fiscal year. This goal includes capital construction. The Regent institutions and the Board Office estimate that $5.2 million will need to be awarded to certified Targeted Small Businesses in fiscal year 1987 to achieve a two percent set-aside. This represents 15 percent of all procurements from Iowa small business.

Since adoption of the rules in July, the Board Office and institutions have taken the following actions:

1. Language has been incorporated into the purchasing and construction contract documents executing the Targeted Small Business rules adopted by the Board of Regents. The documents discuss the procedures that the board will use in awarding construction contracts or purchase orders to certified Targeted Small Businesses.

The Targeted Small Business language in the purchasing and construction documents enables the institutions to obtain Targeted Small Business participation in several ways. These include negotiating with the Targeted Small Business firm and conducting restricted bidding limited to Targeted Small Business firms and splitting a purchase or project into several contracts that would more easily be awarded to Targeted Small Businesses. An additional effort for
construction is requiring Targeted Small Business participation as subcontractors on all capital projects.

All purchases and capital projects bid now incorporate the full provisions of the Targeted Small Business set-aside program.

2. Last month the executive secretary informed the board that an advisory committee would be established. Two committees are being formed, one concerning purchases and a second concerning capital construction. Membership on the committees will include representatives from minority and women business enterprises, major suppliers of goods services to the universities, general contractors, Master Builders of Iowa and the Iowa Council of Business and Industry. The first meeting of both advisory groups will be scheduled in the next several weeks.

3. To promote the Targeted Small Business program, the Iowa State University Public Information Office is coordinating the preparation of an informational brochure. The brochure describes the Targeted Small Business program and explains how a Targeted Small business can do business with Regent institutions. The pamphlet is currently being reviewed by the institutions.

4. The Board Office and the institutions are continuing to work with the Department of Economic Development and the Department of Management on the state's Targeted Small Business program. The Department of Economic Development has prepared rules that are expected to be adopted later this month. The Iowa Department of Transportation is also developing rules and they should be adopted by the end of the year.

The Department of Economic Development is responsible for certifying the Targeted Small Business firms in Iowa. Currently there are 175 Iowa firms successfully certified. The names of these firms have been distributed to the institutions, design consultants and general contractors. The board staff will continue to work with the Department of Economic Development and the Department of Management in developing the Targeted Small Business program.

A quarterly report required by statute is due at the end of November to the Department of Management. Results of the report on Targeted Small Business procurement will be included in the December docket.

Associate Director Runner stated that two advisory committees were in the process of being appointed and would be meeting in the very near future. The
advisory committees would be assisting the board and the institutions in further implementation of the rules.

Director Maxwell stated that the certification process is somewhat slower than anticipated.

Vice President Ellis stated one of the concerns was the institutions were under the gun to reach the 2 percent this year, and they were being impeded to the extent they do not have certified small businesses. He stated that the Department of Management was either not certifying or getting the word out. He said the university decided it needed to issue its own affirmative action program and has scheduled three seminars in eastern Iowa where the university's people involved in purchasing and construction would make presentations.

Regent Tyler stated that $5.2 million was no small amount of money. He asked if it was the intent of the Board Office to make any determination whether or not the Regent institutions were penalized financially by complying with the law.

Director True said institutions were required to make quarterly reports. As part of this process, the institutions have been asked to start documenting any premium paid.

Regent Anderson asked if the responsibility for certification is totally with the Department of Economic Development. She stated the Regents' ability to comply with the law was dependent upon dealing with certified businesses which currently are not certified by the department.

Director True stated there were a number certified, but there were a number who have an opportunity to become certified and the process was slow.

Regent Anderson asked if efforts such as the university's outreach efforts in eastern Iowa were not assigned to the Department of Economic Development in the law.

Associate Director Runner stated there was provision in the law that requires active participation by the Regents including providing expertise to advise some targeted small business firms. He noted the efforts described by Vice President Ellis were not specifically described in the statute.

Regent Anderson commended the university for taking this initiative and expressed concern that the university was assuming responsibility originally assigned to the Department of Economic Development. She indicated these efforts should be identified as beyond the requirements of the law and that the department that is supposed to be doing it is not moving on it.
Director True stated the Department of Economic Development had been impacted more than any other department in state government as a result of the reorganization. The department is attempting as best it can to move ahead, but it have some problems. He stated early on they visited with the director of the program, and the director indicated that the department does want to do the right thing. Director True stated he did not feel there was anything intentional in their slowness.

Vice President Madden stated they were pushing rather than getting led and that a lot of staff time was going into the implementation of the program. He noted that the universities had people who had expertise that the department did not have.

Vice President Ellis stated they were trying to to the best of their ability to perform. He noted that the board should be aware in its governance role that the successful performance of the institutions is dependent upon the performance of another agency.

President Curris noted that the state reorganization bill had made the three Regent university president ex-officio members of the Economic Development Commission.

**ACTION:** Acting President Harris stated the Report on Targeted Small Business Procurement Program was received by general consent of the board.

**CHANGES IN THE FEDERAL LAW ON MANDATORY RETIREMENT AGE.** The Board Office recommended that the board receive the report on changes in the federal law on mandatory retirement; and request the regent universities to consider their current policies on mandatory retirement and report to the board at its December, 1986, meeting on the changes necessary in those policies.

On October 31, 1986, the President signed Public Law 99-592 which makes changes in the law on mandatory retirement ages. At the Regent universities the law removes the mandatory retirement age of 70 effective January 1, 1987, for institutional officials, professional and scientific employees, non-tenured faculty, and Regent Merit System employees, if they have not elected IPERS for their retirement program. Mandatory retirement at age 70 can continue through December 31, 1993, for tenured faculty. All three universities have policies addressing mandatory retirement at age 70. The law requires that a study be conducted to analyze the potential consequences of the elimination of mandatory retirement on institutions of higher education. This study is to be conducted and reported to Congress and the President not later than five years after the effective date of the new law which is January 1, 1987.
This law has no immediate impact upon employees whose retirement program is IPERS. Effective July 1, 1979, the mandatory retirement age was removed for IPERS employees. As employees in the special schools and the Board Office are covered by IPERS there is no impact for these groups. At the universities a very small percentage of the employees have elected to take IPERS rather than TIAA/CREF.

As the universities' board approved policies are in conflict with the newly enacted law, it is desirable that their policies be changed to harmonize with the new law on its effective date of January 1, 1987.

The Board Office and the institutions are reviewing the phased retirement programs and expect to request board approval in December of any changes they believe appropriate in the programs. This review will be conducted giving consideration to the new law on mandatory retirement.

**ACTION:** Acting President Harris stated the report on changes in the Federal Law on Mandatory Retirement Age was accepted by general consent.

**FINAL ADOPTION OF RULES ON DIVESTITURE.** The Board Office recommended the board approval the final adoption of the rules on divesture.

The Administrative Rules process requires the final adoption of rules (including any changes) following public hearing on the rule. As required, a hearing was held on October 17, 1986 in the Lucas State Office Building (see attached Exhibit A). At the hearing there were no oral or written comments received. Consequently, it is requested that the Board of Regents approve final adoption of the rules on Divestiture of Investments in South Africa 8.2 (5).

**ACTION:** Regent Anderson moved that the board approve the final adoption of rules on divesture. Regent Murphy seconded the motion, and the motion passed unanimously.

**APPEAL BY EMPLOYEE:** The Board Office recommended that the board deny the request of Jaime Lacasa for review of a final institutional decision at Iowa State University.

On December 5, 1985, Mr. Lacasa appealed to the Board for review of the merit salary increases he had been given by Iowa State University as a member of the Department of Foreign Languages and Literatures. On December 16, 1985, President Parks wrote President McDonald and indicated that a review process was being undertaken to examine Mr. Lacasa's salary. On January 17, 1986, the Board Office wrote Mr. Lacasa and informed him of the date it was then anticipated the request for review would be considered by the Board.
Subsequent to the letter of January 17th, the University and Mr. Lacasa entered discussions on his salary based on the review undertaken by certain university staff. That review took longer than was anticipated by the University, Mr. Lacasa, and the Board Office. On April 25, 1986, William Kelly, Dean of the College of Science and Humanities, wrote to Mr. Lacasa and offered a "... lump sum amount of $3800 plus adjustments for appropriate fringes and taxes, covering the period from August 21, 1984, through May 20, 1986.". The Board Office was informed at approximately this same time that Mr. Lacasa was satisfied with the settlement and the matter could be considered closed.

In late spring and early summer Mr. Lacasa had several conversations with the Board Office concerning what he believed was a misrepresentation by the University of its back pay award. On September 5, 1986, Mr. Lacasa wrote the Board Office and requested that the Board consider his original request for review. Dr. Lacasa's contention is that when the University offered a lump sum payment of $3800, he should have received that sum without any deductions or withholdings for taxes or fringe benefits.

The University's position is that the lump sum payment must have taxes paid on it and must be subject to the TIAA/CREF contract for retirement benefits.

While it is unfortunate that the language used by the university was misunderstood because of the words "... plus adjustments..." it does not relieve the university of the obligation to withhold for taxes and retirement. To grant the payment as a net sum would have the effect of paying more than the amount by which the salary was determined to have been underpaid.

The Board Office finds the decision of the university reasonable. In the university's letter to Mr. Lacasa, it indicated that the back pay award of $3800 was the result of determining that Dr. Lacasa's 1984-85 salary should have been increased by $1900 and that, therefore, his 1985-86 salary should have also been increased by $1900. As all salary is subject to statutory requirements of taxation and to contractual requirements for TIAA/CREF, the university was obligated to withhold for these items when making the back pay award to Mr. Lacasa.

Director Wright noted that the board had received a confidential exhibit including personnel records concerning the appeal.

MOTION: Regent Tyler moved that the appeal by employee Jaime Lacasa be denied for review of a final institutional decision at Iowa State University. Regent Anderson seconded the motion, and the motion passed unanimously.
GENERAL
November 19-20, 1986

BOARD OFFICE PERSONNEL REGISTER: The following action on the register was approved as a part of the consent docket:

Appointments: Lori Whitney, Secretary II, Grade 507, Step 3, at an annual salary of $14,518 plus the usual fringe benefits, effective October 20, 1986; Patty L. Rinehart, part-time Accounting Specialist, Grade 511, Step 1, at an hourly salary of $7.85 per hour plus the usual fringe benefits, effective October 31, 1986; Renee King, Clerk I, Grade 503, Step 1, at an annual salary of $10,278 plus the usual fringe benefits, effective October 31, 1986; Annette Burn, Secretary IV, Grade 112, Step 3, at an annual salary of $18,791 plus the usual fringe benefits, effective November 3, 1986; Janet Kaufman, Secretary II, Grade 507, Step 3, at an annual salary of $14,518 plus the usual fringe benefits, effective November 10, 1986. Resignation: Barbara Read, Secretary II, effective November 7, 1986.

NEXT MEETINGS:

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<th>Month</th>
<th>Location 1</th>
<th>Location 2</th>
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<tr>
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<tr>
<td>January</td>
<td>University of Northern Iowa</td>
<td>Des Moines</td>
</tr>
<tr>
<td>March</td>
<td>Iowa State University</td>
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<td>April</td>
<td>University of Iowa</td>
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<tr>
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<td>Iowa Braille and Sight Saving School</td>
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<td>May</td>
<td>Iowa School for the Deaf</td>
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<tr>
<td>September</td>
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<td>Ames</td>
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<tr>
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<td>Iowa City</td>
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<tr>
<td>December</td>
<td>University of Iowa</td>
<td>Iowa City</td>
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Acting President Harris then asked board members and institutional executives if there were additional miscellaneous or general items to be raised for discussion. There were none.
STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was conducted on Thursday, November 20, 1986.

REGISTER OF PERSONNEL CHANGES. The register for October 1986 was approved as a part of the consent docket.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended approval of the following revisions in the university's professional and scientific classification and compensation system:

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<th>TITLE</th>
<th>FROM</th>
<th>TO</th>
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<tr>
<td>Director of Training and Educational Services, University Hospital School</td>
<td>12 ($29,000 - $46,390)</td>
<td>11 ($26,795 - $42,850)</td>
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NEW CLASSES

- Director of Patient and Guest Relations, University Hospitals and Clinics

- Supervisor of Technical Services, Cardiothoracic Surgery

A reorganization and review of classifications in the University Hospital School, Training and Educational Services area led to a revision in class specifications resulting in the proposed change from pay grade twelve to eleven for the Director. The position is currently vacant.

A new classification in pay grade eleven, Director of Patient and Guest
Relations, was proposed to meet the demands of a newly developing field of expertise. The position would be responsible for planning, organizing and directing a comprehensive patient and guest relations program for University Hospitals and Clinics. The new classification of Supervisor of Technical Services, Cardiothoracic Surgery in pay grade eleven is needed to coordinate and supervise the technical aspects of the division, including extracorporeal perfusion and cardiac transplantation.

The university reported the pay grades assigned to these classifications were based on the point count evaluation of the scope of the classifications and that funds are available to support the request.

**MOTION:** Mrs. Anderson moved that the board approve the changes in the university’s professional and scientific classification and compensation as outlined approved. Mr. Duchen seconded the motion, and it passed unanimously.

**PROPOSED COURSES CHANGES.** The Board Office recommended referred of the proposed course changes from the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

**ACTION:** Acting President Harris stated the proposed course changes were referred to the Interinstitutional Committee on Educational Coordination and the Board Office by general consent of the board.

**APPOINTMENTS.** The board was requested to approve the following appointments:

Frank Conroy as Director of the Writers’ Workshop, effective August 24, 1987, at an academic-year salary of $58,000.

Sheila Creth as University Librarian at an annual salary of $78,000, effective January 15, 1987.

**MOTION:** Mrs. Anderson moved that the board approve the appointments as outlined above. Miss VanEkeren seconded the motion, and it passed unanimously.

**GERIATRIC EDUCATION CENTER.** The Board Office recommended the board receive the report on the establishment of a Geriatric Education Center at the University of Iowa.
The university proposed the Geriatric Education Center as the result of receiving a grant of $549,561 from the U.S. Department of Health and Human Services. The center, therefore, resulted solely from the external funding of this project and involved no major allocation of internal university funds beyond cost-sharing mandated by the requirements of the external funding agency.

ACTION: Acting President Harris stated the report of the Geriatric Education Center was received by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period October 6 through November 7, 1986.

Highlights of the registers are as follows:

PROJECT DESCRIPTIONS AND BUDGETS:

**Westlawn--Counseling Service Remodeling--Third Floor South**

| Source of Funds: General University Building Repairs or Treasurer's Temporary Investment | $282,000 |

This project involves remodeling approximately 8,000 square feet on the third level of Westlawn for the Counseling Service. The remodeling includes reconfiguration of the space, construction of new restrooms, upgrading the mechanical and electrical systems, and installing new air conditioning equipment.

The architects for the project are KNV, Architects/Planners, Iowa City, Iowa. The university requested approval for Physical Plant staff to install the secondary electrical feeders on the project. This work is estimated at $11,000. The remainder of the general construction will be publicly bid.

**Medical Laboratories--Animal Care Unit Remodeling--Fourth Floor, West Wing**

| Source of Funds: Department of Health and Human Services or Treasurer's Temporary Investment, General University Building Repairs | $946,350 |

The project involves upgrading the animal care facilities on the fourth floor of the Medical Laboratories Building's west wing to meet current animal care standards. The project includes demolition of existing walls, installation of new waterproof flooring, mechanical system, and electrical service.
The university requested approval to use Physical Plant staff to install electrical cable and switchgear. The labor portion of this work is estimated at $9,100. Electrical cable and switchgear material is estimated at $20,200. The remainder of the renovation project will be publicly bid.

CONSTRUCTION CONTRACTS:

College of Law Building--Equipment
(IBM 3380-AA4 DASD configuration for Law Library automation)
Award to: Kennsco, Inc., Maple Grove, Illinois (7 bids received) $61,870

(IBM upgrades for Administrative Data Processing for Law Library automation)
Award to: International Business Machines, Cedar Rapids, Iowa (1 bid received) $313,221

The university requested award of these two contracts. Provisions of the Academic Revenue Bonding statute in Section 262A of the Code of Iowa require that equipment purchases over $25,000 funded with proceeds from Academic Revenue Bonds be awarded by the Board of Regents.

The second contract involves upgrading the Library automation system in the Law Library. Only one bid was received although the university solicited bids from nine vendors.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

New Telecommunications System
Universal Communications Systems, Roanoke, VA
Change Order #7 Add $ 3,950.00
Change Order #8 Deduct $ 21,632.00
Change Order #9 Add $157,651.33

Change Orders #7 and #8 have been approved by the Executive Secretary on behalf of the board. The university requested approval of Change Order #9.

Change Order #9 upgrades the computer software and increases the memory in the processors and provides additional features to meet the needs of the hospital. The contract price for upgrade is $157,651.33. The University Hospitals indicated the cost is partially offset by anticipated savings accrued through the life of the system resulting from the enhancements. The university indicated that a $9,000 installation cost is avoided by installing the additional software at this time.

The cost of hardware is $89,438, the software $57,862, and installation $10,350.
The university requested approval of this change order because of the improved service and upgrades that would be available and the potential future cost savings.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported acceptance of construction contracts on three completed capital projects. Inspection found in each case the contractor complied with the plans and specifications. The university recommended that the work be accepted as complete.

FINAL REPORTS:

The university submitted final reports on 10 completed projects. The university identified on the register the final accounting of the funding for these 10 projects.

The entire register is on file in the Board Office.

MOTION: Mr. Duchen moved that the board approve the Register of Capital Improvement Business Transactions as presented. Mrs. Anderson seconded the motion, and it passed unanimously.

LEASES. The Board Office recommended approval of the following leases:

(a) With THE TYPESETTING CONNECTION, LTD. for the use of approximately 528 square feet of office space (Rooms 121 and 123) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1986, and ending May 31, 1987, at a rate for the period of $1,584.

(b) With PROFILES CORPORATION for the use of approximately 521 square feet of office space (Rooms 201 and 202) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1986, and ending May 31, 1987, at a rate for the period of $1,563.

(c) With APPLIED DESIGNS for the use of approximately 264 square feet of office space (Room 119) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1986, and ending November 30, 1987, at a rate for the period of $1,584.

(d) With A-JEM CO., INC., for the use of approximately 655 square feet of office space (Rooms 9 and 9A) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1986, and ending November 30, 1987, at a rent for the period of $2,947.56.
These four leases are with businesses which meet the requirements for assistance in the Technology Innovation Center. The university reported that the tenants would use the space for offices, applied research, product development, and new business marketing.

The rental rates for leases a, b, and c, above, are calculated at the rate of $6.00 per square foot per year and include utilities and services. Because of the irregular arrangement of the rooms for lease d, the lease is calculated at $4.50 per square foot per year, a rate which the university considers equitable.

MOTION:

Mr. Duchen moved that the board approve the leases as follows: (a) With THE TYPESETTING CONNECTION, LTD. for the use of approximately 528 square feet of office space (Rooms 121 and 123) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1986, and ending May 31, 1987, at a rate for the period of $1,584. (b) With PROFILES CORPORATION for the use of approximately 521 square feet of office space (Rooms 201 and 202) in the Technology Innovation Center at the Oakdale Campus for a period of six months commencing December 1, 1986, and ending May 31, 1987, at a rate for the period of $1,563. (c) With APPLIED DESIGNS for the use of approximately 264 square feet of office space (Room 119) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1986, and ending November 30, 1987, at a rate for the period of $1,584. (d) With A-JEM CO., INC., for the use of approximately 655 square feet of office space (Rooms 9 and 9A) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing December 1, 1986, and ending November 30, 1987, at a rent for the period of $2,947.56. Mrs. Anderson seconded the motion, and upon the roll being called, the following voted:

AYE: Anderson, Duchen, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald.
UNIVERSITY HOSPITAL CAPITAL DEVELOPMENT PROGRAM -- STATUS REPORT. The Board Office recommended the board receive the report.

The University of Iowa Hospitals and Clinics presented a report on the status of its capital development program. The report identified new construction and renovation projects that are expected to be initiated in the next three years.

The status report was presented to the board at this time as part of the University Hospitals and Clinics Governance Report. Many of the projects identified for Fiscal Year 1986-87 have been initiated, and construction is underway. Those projects initiated have been submitted individually to the board for project approval. The remainder of the projects for Fiscal Year 1987 and the succeeding two fiscal years will be presented individually to the board for approval of project description and budget.

University Hospitals' capital development program will be financed from University Hospital Building Repair Funds and Building Usage Allowances along with gifts and grants. University Hospitals noted that approvals from the Office of Health Planning and other planning agencies would be obtained before proceeding with construction on specific projects.

ACTION: Acting President Harris stated the status report was received by general consent of the board.

GOVERNANCE REPORT ON THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the board receive the governance report.

Acting President Harris stated that the board in hearing the governance report was acting as the Board of Trustees of the University of Iowa Hospitals and Clinics and recognized John Colloton, Director of the University of Iowa Hospitals and Clinics.

Mr. Colloton first compared the patient census of 1985-86 to the previous year and noted that the numbers of admissions went down 1,135 on a base of 37,100 and the number of ambulatory patients seen in the clinics went up 6,000 from a base of 362,000. In the aggregate, the hospitals and clinics accommodated 405,000 patients with 90 percent of the patients referred from the communities of Iowa. He noted they had accommodated a few more patients than in the previous year with a shift to more of the ambulatory patient.

Mr. Colloton stated that HMO's were gradually expanding in Iowa. He noted there were 12 operating in Iowa with an enrollment of 160,000 which is up from 10,000 in 1980. He indicated representatives of the hospital had met with the governing boards of most of the 12 HMO's and have worked out formal operating agreements with them to the end of having the hospitals care for patient who are referred out of the plans for specialized care. He said the
most intensive work had been with the John Deere plans in Waterloo and the Quad Cities and with the Blue Cross - Blue Shield Plan of Des Moines which is developing a statewide HMO.

Mr. Colloton stated the current staff complement of 6,740 was in good shape with the exception of 41 vacant nursing positions which they plan to fill in December when nurse graduates become available.

Mr. Colloton noted that revenues were adequate despite the fact they have had no rate increases during the past two years. He stated salary increases and other inflationary factors had been financed from services to an increased volume of patients and a mix of more intensively ill patients.

Regent Duchen asked as the declining John Deere employment would affect the referrals to the hospitals.

Mr. Colloton stated the enrollment of the plans was tied to the employed forces of John Deere, but they were working on expanding into the general populace of the state.

Acting President Harris asked if the hospital had been a part of the Blue Cross - Blue Shield Alliance program.

Mr. Colloton indicated the hospital had been involved. He stated the Alliance was a program in which the Blues were, for the first time, attempting to negotiate contracts with individuals providers. He said the Blues accept bids from the individual hospitals and then contract with one on the basis of the lowest prices. He said there were negotiations underway whereby the University Hospitals would participate in that program as a back up of what was taking place at the community level. He said the hospital had no way to negotiate prices but could negotiate what it could provide for back-up services.

Mr. Colloton introduced Clifford Eldredge, Deputy Director.

Mr. Eldredge stated the University Hospitals would begin participation in a voluntary Joint Commission on Accreditation of Hospitals (JCAH) survey beginning on November 21, 1986. He explained JCAH accreditation is a voluntary process aimed at enhancing the quality of patient care and services provided in health care settings. Approximately 83 percent of the nation's hospitals are accredited by JCAH. He noted accreditation was extremely important as an indicator of high-quality health care and is a requirement for reimbursement from Medicare and Medicaid.

Mr. Eldredge stated the University Hospitals was last surveyed in December 1983 and, as a result of that survey, was awarded continued three-year accreditation and received 36 Recommendations for Future Compliance. Of the 36 recommendations, 12 focused on deficiencies in physical facilities which
have been corrected. The remaining 24 recommendations encompassed a broad array of policy and procedure issues, mainly due to documentation, and have all been corrected.

Mr. Eldredge explained the upcoming JCAH survey consisted of three separate reviews. First, the hospital site visit team would survey the hospitals. The hospital site visit team consists of a physician, nurse and administrator surveyor. The second review was new this year and required of all hospitals providing over 100,000 ambulatory patient care visits per year. This review will survey the clinic operations. The third and final review in the accreditation survey is a one-day survey of University Hospitals' Special Function Laboratories conducted by a medical technologist surveyor. He indicated in total the JCAH survey of University Hospitals would consist of 14 surveyor days, and the fee paid to JCAH for the survey is $17,815.

Mr. Eldredge indicated they anticipate substantive recommendations only in the area of physical facilities. He noted preliminary survey results would be shared by the surveyors during oral summation conferences at the end of each review, and the hospitals would immediately follow up on the recommendations and implement corrective action. Formal written recommendations would be provided by JCAH approximately six months after completion of the JCAH site visit surveys at which time a status report of compliance would be provided to the Board of Regents and the Iowa State Department of Health.

Mr. Colloton stated there had been interest in the question of decentralization of some portion of the indigent patient program with primary focus on obstetrical patients. He noted in the discussions of decentralization of program the hospitals had been represented by Ann Rhodes, Assistant to the Hospital Director, who had been assisted by Regent Anderson. He added Regent Anderson had been active on the Blue Ribbon Commission and in assisting with upcoming JCAH survey.

Ms. Rhodes stated the University Hospitals is supportive of the gradual transfer of indigent patients from the University Hospitals to community delivery system when it is appropriate from the standpoint of patient care and was financially feasible. She stated, during the last few years, there had been considerable discussion of the decentralization of obstetrical care for poor women to Iowa communities. University Hospitals has formulated several proposals in response to these discussions.

She stated in 1983 University Hospitals proposed a program under which indigent obstetric patient care would be decentralized in the entire western half of the state. The hospitals offered to undertake the implementation of this plan which then had a total estimated cost of $451,911. She noted the plan was not accepted.
As an alternative, the hospitals also proposed a plan for decentralizing indigent obstetrical care to 88 of Iowa’s 99 counties. The eleven counties which would not be decentralized were those in which the University Hospitals had been providing medical staff coverage for community prenatal clinics since the early 1960’s.

Ms. Rhodes stated the legislature enacted the Medically Needy Program in 1984 with decentralization of OB care to 88 counties as an intrinsic feature. This legislation recognized the state’s responsibility for maintaining and supporting health education by authorizing the continued alignment between University Hospitals and medically needy obstetrical patients from the 11-county area in which poor women have historically been served through clinics staff by UIMC physicians.

In November 1985, the University Hospitals made a third decentralization proposal on the theory that any responsible plan would take into consideration the existing resources for care to poor women, historic referral patterns and access to care. The proposal called for complete decentralization of 88 counties, and an alternative funding mechanism for those indigent obstetric patients who do not qualify for medically needy. No additional state appropriations would be needed to fund the proposal.

Ms. Rhodes stated the University Hospitals invited 13 legislators down to Iowa City to review this proposal for decentralization. She noted there was a very positive response to the proposal, but no hearing were called during the 1985 General Assembly to pursue the plan. The proposal was updated this past summer and was recently presented to the legislative interim study committee on indigent care.

She explained legislation was enacted during 1986 which called for the phased decentralization of indigent obstetrical care over a three-year period so that care would be totally decentralized by fiscal year 1988-89. This program failed to address the state’s responsibility for health science education in any way. Specifically, the number of obstetrical patients coming to the University Hospitals under this program is insufficient to support medical education programs.

Ms. Rhodes stated the issue of decentralizing obstetrical care presented a dilemma. The dilemma was that it is necessary to balance two interests - one is service to patients in the community and the other is maintaining the patient base at the University Hospitals that is essential for high-quality educational programs. She indicated the present needs of most patients for obstetrical care could be met through a decentralized program. However, the need for future health care providers cannot be met if the patient at the University Hospitals is severely compromised. She added that any erosion of the quality of obstetrical services at Iowa’s only comprehensive tertiary health care center was not in the best interests of any Iowan. She stated these concerns had been shared with the legislature during the debate on
decentralization. She indicated the University Hospitals believed that these interest could be balanced, and a workable compromise could be reached.

She stated the University Hospitals was supportive of and would continue to cooperate with efforts to develop a program which would meet the needs of low-risk obstetrical patients who live in parts of the state distant from Iowa City while recognizing the educational needs of the health science center. She stated they would continue to work with the legislative study committee in an effort to develop a solution to the dilemma.

Mr. Colloton stated Governor Branstad appointed the Blue Ribbon Commission on the future financing of educationally related costs at the University of Iowa Hospitals and Clinics last August. The commission was to address problem that is national in scope arising from a cost payment system evolving conversion of the hospital payment methodology from a cost payment system to one based on price competition. In the new price competitive system, third party payors and business are saying that they wish to pay for patient care services only and that educationally related costs which have traditionally been included in teaching hospital charges should be removed and financed as a general burden of society.

He reiterated the Governor's charge to the commission:

1. "What are the current costs at UIHC for programs, beyond basic patient care, that have historically been financed by charges to patients and their third-party insurers? In examining these costs, both direct and indirect, be considered."

2. "What is the potential impact of evolving governmental and private sector health service payment policies on University Hospitals' ability to sustain these programs?"

3. "What are the state policy options for financing the continuing costs of these educationally related programs? It is essential that the inter-relationships among payment for these programs by the federal and state governments as well as the private sector be evaluated both for the short and long term. Which option(s) should be adopted in Iowa?"

4. "What role should the current state appropriation to the UIHC play in the financing of these programs? How will this financing interrelate with continued use of the current appropriation to support indigent patient care at University Hospitals? (In addressing this question, the commission may rely on the findings and recommendations of other studies related to health care for the indigent population of Iowa.) Is a modification in the University Hospital enabling statute required and, if so, what is the nature of this modification?"
5. "What specific steps should the State of Iowa take to sustain the financial integrity of University Hospitals?"

6. "In a separate but related matter, the Iowa General Assembly in 1986 enacted intent language calling for the phased decentralization of the Statewide Indigent Obstetrical Care Program conducted by the UIHC since 1919. Because the third phase of this program would totally eliminate the UIHC Indigent Obstetrical Care Program in 1988, the University of Iowa has grave concern about its ability to sustain the State's obstetrical and pediatric educational programs based at the University of Iowa and to train the number of obstetricians and pediatricians needed to serve the people of Iowa in future years. Therefore, as an addition to the basic charge, the Governor requested that the commission address one additional question:

What impact would total decentralization of the Obstetrical Indigent Patient Care Program have on the State's health educational programs at the University of Iowa? Is modification of the present phased plan for total decentralization of OB care indicated and, if so, how would the Commission recommend that the decentralization plan be altered to give proper consideration to the desire for decentralization and the State's continuing obligation to health science education at the University of Iowa and the university's obligation to train an adequate number of obstetricians and pediatricians to serve the people of Iowa?"

Mr. Colloton indicated the commission met on October 14 and had planned to complete its work in early January.

Regent VanGilst asked Mr. Colloton if he was comfortable with the direction indigent patient care was going.

Mr. Colloton indicated he was not. He explained that, while it was very reasonable to be thinking about decentralization of some portions of indigent obstetrical care in 1986, they currently do not feel that there has been an appropriate balance drawn between that interest and the state's responsibility to support the education of health professionals who will be required to sustain community delivery system in the future. He noted in 1984-85 there were 2,808 deliveries as compared to 2,430 in 1985-86. He stated the projections for 1986-87 was 2,091 deliveries; 1,754 in 1987-88; and 1,371 in 1988-89. He noted that 2,000 deliveries a year was considered essential for medical education in the area of obstetrics.

Regent VanGilst asked if the health science education issue was well known in the discussion of decentralization of the indigent programs.

Mr. Colloton stated the number of deliveries in which undergraduate medical students have been involved has been curtailed by more than 50 percent from
1979 to 1986. He stated if that continued the way it was, a decision would have to be made as to who actually gets the education first. First and foremost would be the ob/gyn, of course. He added that family practice was very much interested in having a cross section of educational experience, one of which is ob/gyn.

Regent Greig asked how many deliveries each resident participated in.

Mr. Colloton stated in 1978-79 third-year medical students participated in 6.7 deliveries and that figure was down to 3.2 in the current year.

Regent Greig asked of the 2,000 deliveries, how many would be unusual births.

Ms. Rhodes stated about 25 percent would be high risk.

Regent Anderson stated one of the things in working on this which really concerned her as much as anything was future effects on medical specialties outside of ob/gyn--pediatrics and family practice as well as a number of subspecialties.

In response to a question by Regent Duchen concerning the Blue Ribbon Commission, Mr. Colloton stated that teaching hospitals sponsor graduate medical education programs; and the aggregate cost of those programs was approximately $14 million per year. He indicated third-party payors who do not want to pay for the cost of those medical education programs in addition to the cost of medical care. He added that, as part of the mission of a teaching hospital, they supported a lot of critical research programs which also have a price attached to them and is built into the patient charges.

Regent Duchen then asked what was the responsibility of the Board of Regents as the governing board of the hospitals in this area.

Mr. Colloton stated that was a very appropriate question. He stated that President McDonald appeared before the commission at its first meeting. Mr. Colloton noted that the commission understood the responsibilities of the board in the governance of the hospital.

ACTION: Acting President Harris stated the governance report of the University Hospitals and Clinics was received by general consent of the board.

Acting President Harris then asked board members and institutional executives if there were other items to be discussed concerning the State University of Iowa. There were none.
The following business pertaining to Iowa State University was transacted on Thursday, November 20, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of October 1986 was approved as a part of the consent docket.

REGISTER OF CAPITAL IMPROVEMENT TRANSACTIONS. The Board Office recommended approval of the register for the period of October 17, 1986, through November 20, 1986.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS:

Beardshear Hall--North First Floor Renovation
Source of Funds: Income from Treasurer's Temporary Investments

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Revised Budget</th>
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<tr>
<td>$365,000</td>
<td>$460,000</td>
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The university requested approval of a $95,000 increase in the budget. The request for a budget increase was the result of a reevaluation of the project estimate by the project architect and the additional cost of remodeling approximately 1,200 square feet of space not previously included in the project. The scope of the project was expanded to include upgrading the existing conference room and enclosing a portion of the corridor to serve as a vestibule to the office suites of the President and Vice President for Academic Affairs.

The revised budget is based on the final construction cost estimate prepared by the project architect, Charles Herbert and Associates. The additional project cost is funded by income from Treasurer's Temporary Investment. Bids are scheduled to be received for construction on November 18. A goal of ten percent has been established for Targeted Small Business participation on this project.
Friley Hall Renovation--Phase 5
Source of Funds: Dormitory System Surplus

Original Budget $1,300,000
Amended Budget $1,243,700

The project is a continuation of a remodeling program that renovates 65 student rooms and associated living spaces. In September 1986, the board approved a $1.3 million budget for this project. The budget is reduced by $56,300 because favorable bids were received. Contracts were awarded by the Executive Secretary on eight of the nine bid packages.

Changes in fund sources were presented on three projects. The total budget remained unchanged. Income from Treasurer's Temporary Investments was substituted as a source in the amounts listed for the following projects.

Library Addition--Phase I
Source of Funds: 68th General Assembly
Capital Appropriation $ 3,900,000
69th General Assembly Revenue Bonds 5,706,546
Iowa State University Foundation 400,000
Income from Treasurer’s Temporary Investments 13,454

Amended Budget $10,020,000

Utilities--Campus Improvements
Source of Funds: 68th General Assembly
Capital Appropriation $ 320,000
69th General Assembly Academic Revenue Bonds 777,610
Income from Treasurer’s Temporary Investments 174,990

Amended Budget $1,272,600

Library Remodeling
Source of Funds: 69th General Assembly
Academic Revenue Bonds $1,903,738
Income from Treasurer’s Temporary Investments and Achievement Foundation Contributions $1,779,262

Amended Budget $3,683,000

Income from Treasurer’s Temporary Investments was substituted as a fund source and the total budget was revised on the following two projects:
Gilman Hall Renovations--Phase I
Revised Budget $3,707,500
Source of Funds: 69th General Assembly
   Academic Revenue Bonds $3,000,000
   69th General Assembly
   Academic Revenue Bonds 300,000
   Building Repairs 130,000
   Income from Treasurer’s
   Temporary Investments 277,500

The requested budget is $277,500 over the approved budget. The increase is needed to cover the costs of all necessary construction work that was undertaken in Phase I.

Energy Conservation Program--Phase I
Revised Budget $1,316,200
Source of Funds: 69th General Assembly
   Academic Revenue Bonds $773,901
   Income from Treasurer’s
   Temporary Investments 542,299

The $24,199 increase in the requested budget reflected the return of unexpended funds previously transferred to the Veterinary Medicine Building Systems Building Improvement Project. A portion of the Veterinary Medicine project involved energy conservation work.

CONSTRUCTION CONTRACTS:

The following project is referred to the board for action because the project is funded by Academic Building Revenue Bond proceeds:

Agronomy Addition and Remodeling
Award to: Johnson Controls, Inc., Des Moines, Iowa
Base Bid of: $56,762

The university requested award of this contract to Johnson Controls, Inc. The bid amount was based on established prices obtained by the university in 1984 as a result of competitive bidding for energy management systems equipment. At that time, vendors were asked to bid established prices for a period of ten years for different components of the energy management system.

The following contract awards were made by the Executive Secretary on behalf of the board:
Friley Hall Renovation--Phase 5

General Construction--Bid Package #4
Award to: Harold Pike Construction Company, Ames, Iowa
Base Bid of: (3 bids received) $265,900

Mechanical Construction--Bid Package #9
Award to: Pleva Plumbing & Heating Company, Inc., Woodward, Iowa
Base Bid of: (6 bids received) $214,309

Electrical Construction--Bid Package #10
Award to: Devereaux Electric of Ames, Ames, Iowa
Base Bid of: (3 bids received) $85,051

Fire Protection--Bid Package #2
Award to: Midwest Automatic Fire Sprinkler Company, Des Moines, Iowa
Base Bid of: (2 bids received) $26,800

Flooring and Ceramic Tile--Bid Package #5
Award to: Jim's Floor Covering, Inc., Fort Dodge, Iowa
Base Bid of: (2 bids received) $54,000

Elevators--Bid Package #8
Award to: Schumacher Elevator Company, Inc., Denver, Iowa
Base Bid of: (3 bids received) $29,537

Doors, Frames, and Hardware Procurement--Bid Package #1
Award to: Kurtz-Walsh Builders Hardware Company, Des Moines, Iowa
Base Bid of $67,050 plus Alt. #1 of $915 = TOTAL AWARD OF: (1 bid received) $67,965

Wardrobes--Bid Package #7
Award to: Leland Woodworks, Leland, Iowa
Base Bid of: (5 bids received) $46,250

Because of the tight construction schedule for this project, the university and the project manager, Story Construction, split the project into nine bid packages. These packages were advertised for bid and the Executive Secretary awarded the contract on the eight packages identified above.

The Painting and Finishing work--Bid Package #6, was limited to bidding by certified Targeted Small Businesses. This project is part of the Regent institutions' program to implement Targeted Small Business legislation.

Four bids were received on this package, three from Iowa firms. None of the bidders were Targeted Small Business firms certified by the Iowa Department
of Economic Development. The university requested that the four bids be rejected because the firms did not meet the requirement as a Targeted Small Business.

The Board Office the university rebid Package #6 when additional firms were certified by the Department of Economic Development and after additional information concerning the Regents' Targeted Small Business Program was disseminated.

CHANGE ORDERS TO CONSTRUCTION CONTRACTS:

Utilities--Replace Steam Generators No. 1 & 2
Material Handling System Contract
The Fairfield Engineering Company, Marion, Ohio

The university requested the board's approval of Change Order #1 on this contract of the Steam Generator Replacement Project. The construction contract included the equipment supply and construction of the material handling system to support the new fluidized bed boilers.

Subsequent to award of the contract, the federal Environmental Protection Agency notified the university that an automatic coal sampling system would be required as part of the conditions for issuing a permit. The requirement for an automatic coal sampling system is a new stipulation of the EPA. The consulting engineers, Burns and McDonald, estimate the cost to design, fabricate, and install the automatic coal sampling system at $275,000.

The contractor on the material handling contract, Fairfield Engineering, submitted an estimate to install the coal sampling system for $175,000 if they could put the system in during construction of the material handling system.

The price for the additional work to be performed by Fairfield is considerably below the engineer's estimate. The economies result from combining the shop drawing, review, design, and fabrication costs for the automatic coal sampling system with fabrication and installation of the materials handling equipment.

The consulting engineer confirmed that the price received from Fairfield is extremely favorable and was below the price that could be received from public bidding. The university requested approval of the change order with Fairfield Engineering.

The university indicated that the change order would not require an increase in the total project budget. Source of funds for the project is utility system revenue bond proceeds.
The university alerted the board staff that additional EPA requirements were expected. These additional EPA requirements should be identified in the final permit documents that are expected later this month.

After review of the final permit by Burns and McDonald and the university, Iowa State will return to the board for a briefing on the new EPA requirements.

With approval of this change order, the new net amount of the contract with Fairfield Engineering Company is $1,198,522.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS:

The university reported completion of three construction contracts during the reporting period. Inspection of the work on the contracts found that the contractors complied with the plans and specifications. The university recommended that the work be accepted as complete.

FINAL REPORTS:

The university submitted final reports on two construction projects. The university indicated on the register the final accounting of the funding for these two projects.

The entire register is on file in the Board Office.

MOTION: Regent Anderson moved that the Register of Capital Improvement Business Transactions be approved as presented. Regent Murphy seconded the motion, and it passed unanimously.

EASEMENT WITH NORTHWESTERN BELL TELEPHONE COMPANY. The Board Office recommended approval of the proposed easement agreement between the State Board of Regents and Northwestern Bell Telephone Company for the purpose of constructing and operating a buried telephone cable on the property of the Iowa State University.

Iowa State University requested approval of an easement with the Northwestern Bell Telephone Company that would enable the phone company to continue to utilize a buried telephone cable on the campus. The telephone cable, in addition to providing service to the university, is capable of providing service to private customers. The easement was inadvertently omitted when the other easements with Northwestern Bell were approved in 1984.

Iowa State University requested approval of this easement as the telecommunications cable provides some service to the university. The
university indicated that the easement would not interfere with current or planned uses on the campus.

The easement is in the standard format and contained a standard liability clause. No cost of the construction would be assessed or charged to the state of Iowa.

The Board Office indicated approval by the State Executive Council would be requested after action by the board.

MOTION: Regent Tyler moved that board approve the proposed easement agreement between the State Board of Regents and Northwestern Bell Telephone Company. Regent Greig seconded the motion, and upon the roll being called, the following voted:
AYE: Anderson, Greig, Harris, Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSTAINED: Duchen.
ABSENT: McDonald.

LEASES. The Board Office recommended approval of the lease with Athletic Training Specialist, Inc. for the use of approximately 474 square feet of space in the university’s Iowa State Innovation System Center (ISIS), in the rooms commonly known as 202 A, B, C, for one year commencing October 22, 1986, at a rent for the term of $2,133, with renewal by mutual consent for six month intervals beginning October 22, 1987.

At the June 1986 board meeting, the board approved the first leases for the Iowa State Innovation System Center which is housed in the building commonly referred to as the Lab of Mechanics building. The facility houses a part of the university’s efforts in providing incubation facilities and activities for business and industry in Iowa.

Athletic Training Specialist, Inc. meets the requirements the university has for such business enterprises to receive its help. The university has entered a lease with the corporation effective October 22nd.

The lease document is the standard one approved by the board in September, 1986.

MOTION: Regent VanGilst moved that the board approve the lease with Athletic Training Specialist, Inc. for the use of approximately 474 square feet of space in the university’s Iowa State Innovation System Center (ISIS), in the rooms commonly known as 202 A, B, C, for one
year commencing October 22, 1986, at a rent
for the term of $2,133, with renewal by
mutual consent for six month intervals
beginning October 22, 1987. Regent
VanEkeren seconded the motion and upon the
roll being called, the following voted:
AYE: Anderson, Duchen, Greig, Harris,
Murphy, Tyler, VanEkeren, VanGilst.
NAY: None.
ABSENT: McDonald.

Acting President Harris then asked board members and institutional executives
if there were additional matters to be raised for discussion pertaining to
Iowa State University. There were none.
The following business pertaining to the University of Northern Iowa was transacted on Thursday, November 20, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of October 1986 was approved as part of the consent docket.

PROPOSED MASTER OF PHILOSOPHY DEGREE. The Board Office recommended referral to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION: Acting President Harris referred the proposed Master of Philosophy Degree to the Interinstitutional Committee on Educational Coordination by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period of September 29, 1986, through November 3, 1986.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS:

Two new construction projects under $250,000 were presented for ratification by the board. The projects are Electrical Distribution Improvements--Regents High Voltage Loop for $73,500 and Utilities Improvements--Central Campus project for $168,000. The first project will be funded by a combination of building repairs and/or residence hall improvement funds. The second project will be funded by building repairs.

CONSULTANT AGREEMENTS:

Power Plant Replacement Study
Sega, Inc. Stanley, Kansas
(Preliminary Study) $34,500

In September the university requested permission to initiate planning to replace four outdated boilers. The replacement boiler capacity would be constructed at the new power plant site.
At that time the board approved the university's request to conduct a comprehensive study of the overall power and system generating needs of the university. Preliminary estimates indicated that the cost to fabricate and install the new boiler or boilers plus the associated peripheral equipment may be $8.5 million or more. The cost figures will be refined as the result of the engineer's study.

MOTION: Regent VanEkeren moved that the board approve the Register of Capital Improvement Business Transactions as presented. Regent Anderson seconded the motion, and it passed unanimously.

RAZE BUILDING. The Board Office recommended approval of the razing of the residence at 1234 West 22nd Street in Cedar Falls, Iowa.

The university requested permission to demolish a structure located on the north edge of the campus. The structure is a frame house built in the early 1900s and was purchased by the university in 1969. The house was used on an interim basis by the Mathematics Learning Center. The university indicated that the house is badly deteriorated and no longer complies with building codes. The rehabilitation of the structure could not be accomplished without considerable expense. Therefore, the university requested permission to demolish the house.

MOTION: Regent Tyler moved that the board approve the razing of the residence at 1234 West 22nd Street, Cedar Falls, Iowa. Regent Greig seconded the motion, and it passed unanimously.

RAZE BUILDING. The Board Office recommended approval of the razing of the Anthropology Building.

The brick structure, constructed in 1904, is located immediately adjacent to Maucker Union. The proposed site for the addition being planned to the union is the current location of the Anthropology Building. The university indicated that the building is not in good condition, and the funds necessary to bring the structure up to acceptable standards are not available. The Anthropology Building is being used as laboratory space by Anthropology and for miscellaneous university storage. Those functions would be accommodated elsewhere on campus.

MOTION: Regent VanEkeren moved that the board approve the razing of the Anthropology Building. Regent VanGilst seconded the motion, and it passed unanimously.
PROPOSED PUBLIC RADIO REPEATER STATION IN MASON CITY. The Board Office recommended that the board allow the University of Northern Iowa to secure an FCC license for the proposed Mason City repeater station subject to approval of the license application by the Iowa Public Broadcasting Department.

On two previous occasions the Board of Regents has discussed the University of Northern Iowa's proposal to establish a repeater station for public radio in Mason City using KUNI programming. In conjunction with Northern Iowa Area Community College, the university secured a federal grant and private funds to construct the facility. The university radio director has said that equipment for the repeater station is scheduled to be ordered in December and construction of towers and related facilities would commence next spring. However, prior to beginning broadcasting a Federal Communications Commission license must be obtained.

The board took action in January 1985, to approve this project subject to specified conditions. One condition was that "the agreement be revised to define participation by the Iowa Department of Public Broadcasting and the Public Broadcasting Board as licensee based upon the Code of Iowa." This requirement for the Public Broadcasting Department to be licensee emanated from an interpretation of 18B.6 of the Code. That Code section requires that the Iowa Public Broadcasting Department be the Federal Communications Commission licensee for all new radio and television facilities.

The Director of the Iowa Public Broadcasting Department, George Carpenter, recently proposed an arrangement whereby the university could be licensee for the repeater station, while the Department of Public Broadcasting would maintain oversight responsibility. The proposal would involve the Department of Public Broadcasting in reviewing and approving the university's FCC license application. Mr. Carpenter apprised the Board Office that FCC attorneys and an Attorney General's representative advising the Department of Public Broadcasting have concluded that the repeater station service is in some ways an expansion of the existing KUNI service; and, therefore, the license should be assignable. He also made a case that the Code supported an
oversight involvement for the department in public radio facility changes such as proposed by the university. The initial oversight would be through the license application review and approval by the Department of Public Broadcasting. Longer term oversight would result from participation of three Board of Regent members on the Public Broadcasting Board.

The arrangement for acquiring an FCC license offered by the Department of Public Broadcasting solves a number of potential problems and accomplishes the objectives envisioned in 188.6 of the Code of Iowa. The Board Office also recommended the board direct the university to move forward with its plans to provide public radio for north central Iowa.

MOTION: Regent Anderson moved that the board allow the University of Northern Iowa to secure an FCC license for the proposed Mason City repeater station as proposed. Regent Murphy seconded the motion, and it passed unanimously.

President Curris stated that a search is on for a one-room schoolhouse which is authentic and in good condition and one that would be donated to the University of Northern Iowa.

Regent Anderson offered congratulations to President Curris on what he was doing and stated it sounded like a great idea.

Acting President Harris then asked board members and institutional executives if there were additional items to be raised for discussion pertaining to the University of Northern Iowa. There were none.
The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, November 20, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of October 1986 contained no transactions.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The register for the month contained no transactions.

Acting President Harris asked board members and institutional executives if there were additional matters to be discussed pertaining to the Iowa School for the Deaf. There were none.
IOWA BRaille AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Thursday, November 20, 1986.

REGISTER OF PERSONNEL CHANGES. The register for the month of October was approved as part of the consent docket. One requested action.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the capital register. This month's register contains one requested action.

FINAL REPORTS:

Drainage Improvements and Cistern Abandonment $32,675.82

The institution submitted a final report on the Drainage Improvement Cistern Abandonment Project. The school indicated that the project is completed and the final budget is $32,675.82. The project was funded by a combination of capital fund balances and building repair funds.

MOTION: Mrs. Anderson moved that Register of Capital Improvements be accepted by the board. Mrs. Murphy seconded the motion, and it passed unanimously.

RESOLUTION: The following resolution was submitted to the board for adoption:

The Iowa Board of Regents hereby authorizes funds to be drawn from accounts of the Iowa Braille and Sight Saving School with the authorization of both the acting superintendent, Mary Beth Young, and treasurer, M. D. Berry. The authorization is to be effective immediately.

MOTION: Mr. Tyler moved that the board adopt the proposed resolution. Ms. VanEkeren seconded the motion, and it passed unanimously.
ADJOURNMENT. The meeting of the State Board of Regents adjourned at 2:55 p.m. on Thursday, November 20, 1986.

[Signature]
R: Wayne Richey
Executive Secretary
The State Board of Regents met on Tuesday, December 16, 1986, at the Marriott Hotel, Des Moines, Iowa. The following were in attendance:

Members of the State Board of Regents

Mr. McDonald, President
Dr. Harris
Mrs. Anderson
Mr. Duchen
Mrs. Murphy
Mr. VanGilst
Mr. Greig
Mr. Tyler
Miss VanEkeren

All sessions

Office of the State Board of Regents

Executive Secretary Richey
Director Barak
Asst. Dir. Peters

All sessions

Excused

All sessions
President McDonald called the meeting to order and requested the board go into executive session to evaluate the professional competency of individuals being considered for appointment pursuant to Chapter 21.5(l)(i) of the Code of Iowa.

MOTION: Mr. Tyler moved that board enter executive session pursuant to Chapter 21.5(l)(i) of the Code of Iowa. Dr. Harris seconded the motion and upon the roll being called the following voted:

AYE: Anderson, Duchen, Greig, McDonald, Murphy, Tyler, VanGilst.
NAY: None.
ABSENT: VanEkeren.

The board, having voted by at least two-thirds majority, resolved to meet in executive session beginning at 8:55 a.m. on December 16, 1986, and arose therefrom at 5:10 p.m. the same date.

President McDonald stated no further public business would be conducted until the board convened in public session at 9:00 a.m. on Wednesday, December 17, 1986.

ADJOURNMENT. The Meeting of the State Board of Regents adjourned at 8:45 a.m. on Tuesday, December 16, 1986.

R. Wayne Richey, Executive Secretary