

The State Board of Regents met at the State University of Iowa on Wednesday, October 16, and Thursday, October 17, 1985. Those present were:

<u>Members of the State Board of Regents</u>	<u>October 16</u>	<u>October 17</u>
Mr. McDonald, President	All sessions	All sessions
Dr. Harris	All sessions	All sessions
Mrs. Anderson	All sessions	All sessions
Mr. Duchon	Excused	Excused
Mrs. Murphy	All sessions	All sessions
Mr. VanGilst	All sessions	All sessions
Mr. Greig	All sessions	All sessions
Mr. Tyler	All sessions	Exc. 12 noon
Miss VanEkeren	All sessions	All sessions
 <u>Office of the State Board of Regents</u>		
Executive Secretary Richey	All sessions	All sessions
Director Barak	All sessions	All sessions
Director True	All sessions	All sessions
Director Wright	All sessions	All sessions
Assoc. Dir. Runner	All sessions	All sessions
Assoc. Dir. Stanley		All sessions
Asst. Dir. Peters	All sessions	All sessions
 <u>State University of Iowa</u>		
President Freedman	All sessions	All sessions
Vice President Ellis	All sessions	All sessions
Vice President Remington	All sessions	All sessions
Associate Vice President Mahon	All sessions	All sessions
Associate Vice President Small	All sessions	All sessions
Assistant to President Mears	All sessions	
Director Stork	All sessions	All sessions
Director Jensen	All sessions	All sessions
 <u>Iowa State University</u>		
President Parks	All sessions	Exc. 3:18 p.m.
Vice President Christensen	All sessions	Exc. 3:18 p.m.
Vice President Madden	All sessions	Exc. 3:18 p.m.
Vice President Moore	All sessions	Exc. 3:18 p.m.
Assistant to President Crawford	All sessions	Exc. 3:18 p.m.
Director Lendt	All sessions	Exc. 3:18 p.m.
 <u>University of Northern Iowa</u>		
President Curris	All sessions	Exc. 3:50 p.m.
Provost Martin	All sessions	Exc. 3:50 p.m.
Vice President Conner	All sessions	Exc. 3:50 p.m.
Vice President Follon	All sessions	Exc. 3:50 p.m.
Director Kelly	All sessions	Exc. 3:50 p.m.
Director Stinchfield	All sessions	Exc. 3:50 p.m.
 <u>Iowa School for the Deaf</u>		
Superintendent Giangreco	All sessions	Exc. 3:05 p.m.
Business Manager Kuehnhold	All sessions	Exc. 3:05 p.m.
 <u>Iowa Braille and Sight Saving School</u>		
Superintendent DeMott	All sessions	Exc. 3:08 p.m.
Business Manager Berry	All sessions	Exc. 3:08 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Wednesday, October 17 and Thursday, October 18, 1985.

President McDonald stated that Regent Duchen was excused from the meeting due to a death in his family.

APPROVAL OF MINUTES. President McDonald stated that one correction to the minutes of the September 18-19, 1985, meeting would be distributed.

MOTION: Regent Greig moved that the board approve minutes of the September 18-19, 1985, meeting as corrected. Regent Tyler seconded the motion, and it passed unanimously.

PROPOSED TUITION POLICY, 1986-87. The Board Office recommended that (1) the board adopt the tuition rates shown below to be effective with the 1986 summer session; and (2) that an appropriate student aid set-aside be provided to maintain access to the institutions for needy students.

CURRENT AND RECOMMENDED TUITION RATES FOR REGENT UNIVERSITIES
BASED ON 6.5 PERCENT INCREASE

	<u>RESIDENT</u>		<u>NONRESIDENT</u>	
	Current 1985	Proposed 1986	Current 1985	Proposed 1986
University of Iowa				
Undergraduate	\$1,304	\$1,390	\$3,830	\$4,080
Graduate	\$1,546	\$1,646	\$3,996	\$4,256
Law	\$1,680	\$1,790	\$4,740	\$5,048
Dentistry	\$2,962	\$3,156	\$7,393	\$7,874
Medicine	\$4,116	\$4,384	\$9,458	\$10,074
Pharmacy	\$1,680	\$1,790	\$4,740	\$5,048
Iowa State University				
Undergraduate	\$1,304	\$1,390	\$3,830	\$4,080
Graduate	\$1,546	\$1,646	\$3,996	\$4,256
Veterinary Medicine	\$2,962	\$3,156	\$7,104	\$7,566
University of Northern Iowa				
Undergraduate	\$1,242	\$1,324	\$2,998	\$3,194
Graduate	\$1,386	\$1,476	\$3,308	\$3,524

Mr. Richey stated the Board Office had reviewed the recommendations made at the September board meeting and the proposals made by the students. It was the conclusion that the 6.5 percent increase in fees was appropriate in view of the urgent financial needs of the universities; rates in comparable institutions in this region; and the state's financial condition. He went on to say that it is an extraordinarily conservative recommendation and would recommend it without qualification. He noted that, if there were any other reasonable way to finance the needs of the institutions, the recommendation would have been less than it is. The 6.5 percent increase was the amount approved last year for projecting tuition income for the budget request for fiscal year 1987. He stated that the increase would not even restore the base budget at the current level nor would it offset price inflation. There is a \$3 million deficit in salary accounts for mandated increases provided in legislation and a \$5-7 million problem, conservatively speaking, in terms of a loss by the institutions due to price inflation; and the state is likely to have little or no additional money. He stated that the only reliable additional money is the tuition increases.

MOTION;

Miss VanEkeren moved that the board approve a 5 percent tuition increase. Dr. Harris seconded the motion.

Regent VanEkeren explained that she felt the 5 percent increase represented a fair and equitable solution to the crisis. She indicated she was aware of the needs for repairs of facilities, smaller classes and increases in salaries but that students were facing financial problems. The students had indicated they would be willing to pay additional tuition. She went on to say the board should send a signal to the legislature that the students cannot carry the full burden.

Regent Greig stated that he had been lobbied by his son who is a student at Iowa State University to support the 5 percent increase; but he stated that due to the financial needs, he would favor the 6.5 percent increase.

Regent VanEkeren stated that the question on a lot of minds of the students was that would the additional 1.5 percent increase cause a difference in the problems with class size and facilities.

Regent Anderson stated that we may not see an improvement with the 1.5 percent but that she was afraid without it, there would be decline in the quality of education. She stated what turned her around to support the 6.5 percent increase was the recognition that the 5 percent would save each individual student \$10 a semester, but the loss of that figure would be substantial on meeting the needs of the university. She stated that she commended the students for their responsible approach to this issue.

Regent VanGilst stated he had a real problem voting on this issue. The

board has to have the universities accessible to Iowa students regardless of whether they can afford it and that every time the tuition was raised, it seemed to him that some students were being denied that access. He went on to say that in spite of the fact he did not want to raise tuition, he felt that he would have to vote for the 6.5 percent increase since the problems would be accelerated in years to come and by cutting back and not raising tuition that much this year, it would hurt that much more next time.

Regent Murphy stated she felt she would have to support the Board Office position that she didn't see any alternative to it. She stated she had read the student newspapers and that she admired the student leaders because they didn't play politics with the board.

Regent Tyler stated that he agreed with Regent Murphy.

President McDonald stated that we were constantly talking about quality and excellence in education and tied closely to that is the need for higher faculty salaries throughout the Regents institutions and that everyone recognized there were very severe and unavoidable budget problems. It is fair to point out that in the 11-state area that we compare ourselves with that we are at the bottom or near the bottom as far as faculty salaries are concerned. At the same time we are at the bottom or near the bottom on tuition. There has got to be some relationship there. He stated the 6.5 percent increase was a very conservative and responsible figure which had been suggested by the Board Office and indicated he would support it.

Regent Harris stated that he had nothing to add to the comments he made at the September meeting, and he indicated he had seconded the motion merely to get it on the floor for discussion. He stated he did not support it because he believed there should be a freeze on tuition increases. He called for the question on the motion.

President McDonald asked for comments from the student representatives.

Jeff Davitt, President of the University of Iowa Collegiate Council, stated that the student government presidents from the three state universities got together last month and made a presentation to the Board of Regents. The group decided that it would ask for a 5 percent across-the-board increase. They recognized the need to maintain the quality of education and understood the reality of the economic situation in the state. He indicated they did that with two ideas in mind--one that the rate of tuition increase should not be higher than the rate of inflation and secondly they were very appreciative of the recommended increase by the Board Office being the same for both residents and nonresidents.

Mike Reck of the Liberal Arts Students Association of the University of Iowa stated the proposed increase was "the straw that broke the students' backs" and the 6.5 percent increase was on top of a 103 percent increase since

1979. He stated the increase would place a real hardship on students and not that what is quality if no one can afford to attend school. He indicated there was money in the state and that it was a matter of priorities. He pointed out that raising tuition does not necessarily increase the quality of education.

Steve Grubbs, President of the University of Iowa Student Senate, stated that he spoke last month in favor of the 5 percent increase. He stated he would like a tuition freeze but would not ask the board to do something unrealistic. He went on to say that if the 6.5 percent increase was passed, that would it would be important from this point on to work to increase student aid. He felt that the board would send a message to the legislature if it approves the 5 percent increase that the students were willing to pay a portion and a message to the parents saying that the Regents care and to the students represented that we could work together. He stated it is going to take the students, the administration, and the Regents to get the appropriations increased. He indicated he supported the Regents in the job they have to do and realized it was tough but at the same time the students of the University of Iowa need to know that they have the board's support. He indicated that it appeared that the 6.5 percent increase was going to pass and he would like to see some of a kind guarantee given to the students that the 1.5 percent would go toward the salaries of the professors. He stated the quality of education is slipping fast. He stated he appreciated Regent VanEkeren and Regent Harris for bringing the 5 percent proposal to the floor for debate.

President McDonald stated the question had been called and asked for a vote on the motion:

VOTE ON MOTION; Motion was not approved with Regents VanEkeren, Harris and Murphy voting yes.

MOTION; Mr. Greig moved that the board approve the actions recommended by the Board Office including a 6.5 percent increase in tuition beginning with the 1986 summer session. Mr. Tyler seconded the motion, and it was approved with Regents VanEkeren, Harris, and Murphy voting nay.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Establishment of a Center for Nondestructive Evaluation at Iowa State University, effective September 1985. The Board Office made the following recommendation: To receive the report on the establishment of the center.

The Center for Nondestructive Evaluation, which is established for the purpose of exploring ways of evaluating engineering products without destroying the product, is set up under a National Science Foundation Cooperative

Research Center program. The center will function as an interdisciplinary research unit within an existing Energy and Minerals Resources Research Institute. No major allocation of internal funds is proposed beyond the cost sharing mandated by requirements of the external funding agency.

After review of the request for the center, the Board Office and the Institutional Committee determined that this particular center did not need to have the approval of the Board of Regents since it required no major allocation of internal funds beyond cost sharing mandated by the external funding agency.

MOTION: Miss VanEkeren moved that the board receive the report. Dr. Harris seconded the motion, and it passed unanimously.

b. Report on Long-Range Planning. The Board Office made the following recommendations: (1) approve the report and recommendations on long-range planning; (2) request the Board Office and the Interinstitutional Committee to proceed with the development for the December long-range planning retreat; and (3) set a date for the retreat.

At the July board meeting, the board approved a recommendation from the Board Office to request the Interinstitutional Committee and the Board Office to review the board's long-range academic planning procedures and policies. In the review, the policies were found to be satisfactory. However, two aspects were not included in the present process. These two areas include the board's actual review and approval of the institutional long-range academic plans and specific board input into the long-range planning process. The Interinstitutional Committee and the Board Office recommended that the board make these additions to the planning process which would provide for a long-range planning process in which the board plays a key role in developing the overall long-range planning strategic goals.

Regent Anderson stated she assumed that the retreat would take a good deal of time of both the board and the staff and hoped that the board would be dealing with something other than platitudes. She stated that the examples provided in the docket material did not seem substantial enough to spend time on in a retreat.

Vice President Christensen stated the examples used in the docket material were examples from another state. He stated the committee wanted to have an opportunity to present the board with goals which would obviously contain some platitudes but also be specifically tailored for the board and the state of Iowa.

Regent Anderson stated she thought the retreat was a good idea, and she would like to see the board comes to grips and face some very hard difficult

questions; but if that is not what is going to be done in a retreat, it is a waste of time.

Regent Harris stated that nothing further needed to be added regarding the concerns raised by Regent Anderson. He stated his comment to the board and to the institutions would be to put on the agenda for strategic planning developing other means of financing education without raising tuition.

MOTION: Mr. VanGilst moved that the board approve the actions as recommended. Miss VanEkeren seconded the motion, and it passed unanimously.

ACCREDITATION REPORTS. a. Engineering Program, University of Iowa. The Board Office recommended the board receive the report from the Engineering Accreditation Commission of the Accreditation Board of Engineering and Technology regarding the engineering programs at the University of Iowa.

The Accreditation Board of Engineering and Technology (ABET) notified the University of Iowa that its programs in Chemical Engineering, Civil Engineering, Electrical Engineering, Industrial Engineering, and Mechanical Engineering had been reaccredited. The accrediting group indicated that all engineering programs at the university have shown significant progress in most areas since the last visit.

The group noted that the Chemical Engineering faculty members appeared competent, knowledgeable and dedicated and that they enjoy the confidence and appreciation of their students. A concern was raised regarding the condition of the teaching laboratories in which experimental equipment is out of date and often inoperable.

The Civil Engineering faculty members also appeared competent and knowledgeable to the accrediting group. The laboratory component was judged by ABET to be marginally adequate. This was apparently based on the program's practice of using laboratory demonstration in some lecture courses, which, according to ABET, denies valuable hands-on opportunities to the students.

The report indicated that the Electrical Engineering program offered effective classroom and laboratory instruction in all essential areas of the discipline. The report noted that instruction in communications, signals, and systems would be improved if more laboratory facilities and equipment were available in these areas.

The report noted that a previous visit identified several areas of concern in the Industrial Engineering program. Many these areas had improved greatly during the recent visit. The faculty is now well balanced with respect to age and experience and judged to be highly qualified. Coverage in the basic science, engineering science, and engineering designs is near the minimum

level specified in the criteria, and care will be needed to guard against decreased content in any of these areas. The availability of computer facilities and the integration of computer methods into the course work and laboratory work are commendable.

The accrediting group found the Mechanical Engineering program to be well balanced between solid body mechanics and thermo and fluid sciences. The undergraduate laboratory experience was judged marginally adequate, and the program would be significantly improved if this experience were strengthened. The institution is aware of this problem and is planning toward its resolution.

The institution should be congratulated for having achieved accreditation of these five programs. A complete copy of the ABET accreditation statement is on file in the Board Office.

MOTION:

Mrs. Anderson moved that the board accept the accreditation report as recommended above. Miss VanEkeren seconded the motion, and it passed unanimously.

b. Social Work Program, Iowa State University. The Board Office recommended the board receive the accreditation report by the Council on Social Work Education.

The Commission on Accreditation voted to reaffirm the accredited status of the Baccalaureate Social Work program until February 1992, completing the regular seven-year cycle.

The site visitation team which visited the program in January 1985 noted the program had developed a clear, well-conceptualized and relevant model for practice; the curriculum had a thorough coverage of social work values and ethics; and the faculty had strong scholarship and expertise in social work practice.

The survey team noted the formal structure for professional advisement was currently weak. The program plans to institute a one credit-hour seminar to strengthen this area beginning in 1985-86. Other limitations noted were that the faculty was not diverse in race and gender; and secretarial support, receptionist resources and aspects of program visibility were weak.

The areas of program strengths were considered by site visitors to be outstanding. The areas of limitations were viewed, with the exception of some of the resource issues, as reflecting the program's evolution. These are areas in which the program would very likely make concerted efforts to increase its quality.

The university should be congratulated for achieving this accreditation. The complete report on the accreditation is on file in the Board Office.

MOTION: Mr. Greig moved that the board receive the accreditation report as recommended. Mrs. Anderson seconded the motion, and it passed unanimously.

c. Teacher Education, Iowa State University. The Board Office recommended the board receive the interim report on the accreditation of Teacher Education at Iowa State University by the National Council for Accreditation of Teacher Education (NCATE).

After reviewing the current status of the professional education programs at Iowa State University, the National Council of Teacher Education adopted the recommendation of the interim team that a three-year extension of the accreditation of the programs be extended to September 1, 1990. Since this was an "interim" report and not a major accreditation visit, the report itself was very brief.

The report briefly described ISU's efforts to address new NCATE standards which were implemented since the last accreditation visit. These new standards were primarily in the area of special education.

Vice President Christensen stated that the College of Education deserves a great deal of credit for the quality of the accreditation report.

A complete file of the accreditation documents is located in the Board Office.

MOTION: Mrs. Murphy moved that the board receive the accreditation report as recommended. Mr. Greig seconded the motion, and it passed unanimously.

d. University of Iowa School of Journalism and Mass Communication. The Board Office recommended that board receive the report on accreditation by the American Council on Education for Journalism and Mass Communication (ACEJMC).

The accrediting organization approved accreditation of the school and its News-Editorial, Mass Communication Laboratory, and Professional M.B.A. program sequences. Although not specifically noted, the accreditation is granted generally for a period of five years before the next visit.

The summary statement by the survey team noted that school's activities in international communication are to be commended, and the London semester was

an excellent and unusual opportunity for students. The team also noted that the school needed stronger support from the university administration; and facilities were crowded and that equipment shortage was severe. The need for an additional staff person in the office was also noted.

The university should be congratulated for having achieved this accreditation. A complete copy of the accreditation report is on file in the Board Office.

Vice President Remington stated that the university was pleased with the report and that they were trying to provide stronger support from the administration to the program. He went on to say that the people in the journalism area were working very hard under rather adverse conditions because of severe budget problems faced by the university.

MOTION: Mrs. Anderson moved that the board receive the accreditation report as recommended. Mr. Tyler seconded the motion, and it passed unanimously.

PROPOSED PROJECTS FOR LOTTERY FUND SUPPORT. This item was deferred for further study until the November meeting.

RESEARCH PARKS/CENTERS. The Board Office made the following recommendations: (1) receive the report on the Iowa Technology Partnership and the reports on the research parks/centers from the three Regent universities; and (2) endorse the general concepts proposed therein.

Mr. Richey stated that an interinstitutional committee was formulated several months ago to work together with respect to establishment of research parks although a substantial amount of work had been done by each institution prior to that time. He stated the Governor had made an announcement last week concerning the work being done by Regent institutions in the area of economic development.

Vice President Moore stated that the Governor's news conference had been stimulated by the completion of the report by Stanley Consultants entitled The Iowa Economic Partnership. The report recommended a series of general concepts for developing high technology industry that focuses on capitalizing on our educational and entrepreneurial strengths. In addition, he noted that each institution had provided to the Regents a report of how each institution participates in economic development activities.

He went on to say that Iowa State University had a plan divided into three parts. The first part is providing incubator space for start-up companies with some relationship to the institution. He noted that arrangements had been made to use a laboratory in the mechanical building for that purpose and individuals are waiting to move into the space. Part two of the ISU

effort is concerned with research parks. The Stanley report used the Iowa State area as a model for their layout. There are at least three sites that are available in the vicinity of Iowa State which appear ideal for development into research parks. The third part of the plan had to do with the activities going on since 1983 to form a partnership agreement with a private group of Des Moines and Ankeny business interests who were interested in seeing if the Ankeny Research Farm could be developed. The agreement would allow for lots of land from the research farm to be sold in some sort of organized way in the future for development. A conceptual plan is being developed to facilitate this development. He went on to say that interest on the campus is high for the economic development activities

Vice President Priestersbach indicated the University of Iowa report was based on two premises--one of structure and one of climate. He noted that no business or industrial units would be interested in associating with any university unless the association proved to be advantageous to them. He stated the university was making a systematic review of academic programs to identify strength and have published and are continuing to update a directory of ongoing research of the faculty. They have established the thriving Technology Innovation Center which currently has eight tenants with three additional leases which will be presented to the board next month. He indicated that the center was a real success story. A feature of the center is that it not only provides space but administrative and consultative support as well. Associated with the center is the Technology Transfer Advisory Committee consisting of successful businesspersons in the region who help keep the university's efforts realistic and pragmatic. The foundation is currently studying the establishment of a private development corporation. He stated that the university thought these efforts combined to make a favorable climate that the private sector would find attractive.

Regent Tyler stated that Vice President Priestersbach's remarks were "music to his ears." He stated the industry couldn't be more interested in working with the institutions but that there were marketing problems as well as a communication problem.

Vice President Priestersbach stated that they understood there was a communication problem and they were working on it

President Curris stated the presentations from the two sister institutions set the stage for what UNI believes to be a unique contribution to economic development arena, the Iowa Center for Decision Making Research (ICDMR). The Institute for Decision Science is designed to be an integral part of the ICDMR.

President Curris introduced Neil Wilson, Director of External Programs, UNI School of Business.

Mr. Wilson stated they were excited about the institute. He said that not

only his background was industry oriented but a number of colleagues are in industry at fairly high executive levels and one thing that struck them about Iowa was the opportunity for job creation and job retention and business development. The institute and programs proposed by UNI would relate to output and would fill the gap between the University of Iowa and Iowa State. It is the intent of the University of Northern Iowa to provide the atmosphere and environment where they can work with business in terms of decision making which is a real need. Many of the projects they are looking at have short term duration but long term impact.

Vice President Moore indicated there had been increased interest on the part of all the universities regarding the economic welfare of the state. All three institutions have recognized that there are a lot of questions that surface such as questions about proprietorship. Another question is that a lot faculty are not quite sure whether the Regents are proud of them because they are consultants or that the Regents apologize that the faculty is consulting. Another thing, he noted, was that economic development is referred to in physical terms in conjunction with the universities and consideration is not given to outlying areas. He indicated he thought Iowa State was planning to consider expanding their program to take advantage of some of the other areas of the state and some of the people who are not right next door that might also be able to be partners in economic development.

President McDonald stated that the board was proud of enhancing consulting efforts. He stated he spoke strongly in the Governor's new conference of the three institutions in their efforts to assist in the economic rejuvenation of the state. He stated that the activities of the institutions are right on the mark as to what the Regents want to see happen in these economic development activities. He indicated there would always be tension between proprietary interests and academic freedom.

Regent Harris stated he didn't recall that the board in recent years had said anything that should make the faculty uneasy in terms of its attitude regarding consulting. He stated he would like the presidents of the universities to get the message to the faculty that the board has not criticized or been bothered by the consulting activities and that it is indeed proud of them not only for teaching and research but their other services.

President Parks stated we have entered a phase where we are more interested in involving the faculty in economic development. He indicated we should still hold tight on such things as reporting of consulting work and be sure that the work is in line with the university mission and does not constitute a conflict.

Regent Anderson stated she had a question regarding the perception of the universities and their involvement with economic development activities in the state and to what extent is there a problem with a lack of understanding

or recognition of what is already going on. She indicated concern about jumping on a bandwagon that does not really put us much further ahead.

President Parks stated that we have done a poor job of communicating because we have done so much in economic development but also not to overlook that the basic research is still going on.

Regent Tyler stated he was not aware all these activities were going on at the universities and that this knowledge needed to be made public.

Vice President Priestersbach stated that may be part of the explanation and he agreed with President Parks. He indicated President Parks reminded us of some very important points that this isn't a new thing and that we have been doing it for years and years.

President Curris stated that Regent Anderson's comments and questions were very apropos and that we need to throw a caution flag out. The measurement of what success a university has had in economic development is based in reality but on expectations. For years there have been little expectations on the part of the people so when you lay out what has occurred in this state, people are amazed. So much has been accomplished but no one had expectations these things had been occurring. Now there are expectations that the universities are going to contribute to the economic renaissance in this state. He indicated we can contribute but whether the efforts will reach the expectations of others is the big question.

Dr. Barak explained that the recommended action contained two parts, the second of which was to endorse the general concepts brought out in the Stanley report.

- * Creation of focused Research Centers consisting of one or more specially constructed buildings at one or more on-campus or near-campus locations at each of the state universities for research concentrating in each university's "areas of excellence." The term "Research Center" includes both land and buildings and is derived from the legislation establishing the Iowa High Technology Council.
- * Promotion and operation of the research Center by a nonprofit corporation with a full-time manager to handle the day-to-day operations. Management costs may have to be financed by the university or one of its foundations for the first several years of operation.
- * Construction and ownership of single- or multi-tenant Research Center buildings by limited real estate partnerships with reversion of the building or buildings to the university at the end of 20 or 25 years. The university would lease land to the partnership for building construction.

- * Limiting research activity to research, prototype development, and perhaps experimental production. Full production would be done outside the center where production rather than research facilities are available.
- * Placing emphasis on securing adjunct appointments and opportunities for research consulting so that university faculty and staff would be supported by both the educational institution and private industry.
- * Maximum use of existing organizations at both the university and state government levels.

Mr. Richey stated that the concepts were presented for the information of the board and that specific items would be brought back to the board for its approval before specific actions are taken.

MOTION:

Dr. Harris moved that the board receive the report on the Iowa Technology Partnership and the reports on the research parks/centers from the three Regent universities; and (2) endorse the general concepts proposed therein. Mr. Tyler seconded the motion, and it passed unanimously.

EXECUTIVE SESSION. President McDonald requested that the board enter into executive session to evaluate the professional competency of individuals being considered for appointment pursuant to Chapter 21.5(1)(i) of the Code of Iowa. On a roll call vote as to whether to enter into executive session, the following voted:

AYE: Anderson, Greig, Harris, McDonald, Murphy, Tyler, VanGilst, VanEkeren.

NAY: None.

ABSENT: Duchon.

The board, having voted by at least two-thirds majority, resolved to meet in executive session beginning at 3:40 p.m. and recessed therefrom at 5:25 p.m. on the same date to reconvene at 10:30 a.m. on November 11, 1985, at the Marriott Hotel in Des Moines, Iowa.

President McDonald stated that no further public business would be conducted on October 16, 1985, and the board would reconvene in public session at 8:30 a.m. on October 17, 1985.

The following business pertaining to general or miscellaneous items was transacted on Thursday, October 17, 1985.

REPORT ON HIGHER EDUCATION IN THE PEOPLE'S REPUBLIC OF CHINA. The Board Office recommended the board receive the report and request the Interinstitutional Committee on Educational Coordination to report to the board on the nature and extent of agreements and cooperative efforts with institutions in the People's Republic of China including recommended, coordinated efforts among the Regent institutions.

Each of the universities have relationships in recent years with institutions of higher education in the People's Republic of China. Several trips have been made to China by officials from the institutions. President Curris led a delegation recently which included Regent Murphy, the executive secretary and others. In separate trips, President Freedman and Dean Kennedy of the College of Engineering of the University of Iowa as well as Vice President Christensen of Iowa State University visited Chinese institutions.

Regent Murphy stated she would let President Curris tell about the professional aspects of their trip to China, and she would tell more about the social and cultural aspects. She stated they encountered a lot of protocol and the Chinese had difficulty with her status as a Regent in terms of the observing proper protocol. They attended lots of receptions and banquets at which there were multitudes of toasts. They were served foods such as whole fish, perfumed pig, eel, snake soup and armadillo wrapped in squid. She stated when they visited the schools, everyone was anxious to please. They toured the Forbidden City, and made it to the top of the Great Wall. She indicated that she hoped the universities could continue to exchange agreements, and she was proud Iowa was in the forefront.

President Curris stated that there were tremendous opportunities in China and perhaps a mandate that we take advantage of those opportunities. He stated he noticed three significant changes in China.

1. The impact of President Nixon's visit is not fully appreciated in this country. As a result of that, the teaching of Russian has been eliminated, and in its place there is mandated teaching of English. With that change in required language, they have started looking to the West as opposed to the East.
2. The modification of the basic Marxist-Leninist principles to incorporate private enterprise opportunities. He noted that the economic opportunities for this country in China were immense.
3. The government is in the process of totally restructuring education because they have concluded that the Russian system of education has been a failure. They are now looking to Australia, Japan and the United States for a model. There has been a change from mandatory 5th grade education to mandatory 8th grade education and with that has been a push to begin vocational education and to increase from the current 4 percent of students who go on to college to a larger as yet unspecified percentage.

He stated the University of Northern Iowa had sister relationships with four universities in China. Currently they are involved in preliminary negotiations in the training of literally thousands of principals in southern China. The one province with which they are working had a population of 38 million so the scope of the proposed programs is immense.

President Freedman stated this was his second trip to China in two years. During the recent trip he was accompanied by the Director of the Institute of Hydraulic Research which had trained at least 100 Chinese. They visited six universities and entered into exchange agreements with two. One is the oldest university in China and the other is the leading technical university. They also visited other institutions with which they have agreements. They had an alumni reception in Beijing which was attended by 25 graduates. He noted that last year they had 60 students from China and this year they have 90 students.

Vice President Christensen stated that his trip to China was to Hebei Province, and their major purpose was to work with the Chinese on their number one national priority which is agriculture at this point. He attended a reception for seven ISU graduates and noted that they were interested in sending their sons and daughters and nieces and nephews to ISU. The majority of the time in China was spent negotiating agreements with universities. He indicated that the agreements would be useful but not without cost and that if they were going to put resources into it, they were going to have to have additional resources.

President Freedman stated he was struck by how many students study English--that there were more people studying English in China than the entire population of the United States.

In response to a question from Regent Anderson, Vice President Christensen explained that the agreements they were negotiating were basically for arranging for faculty members from ISU to go to China to work on research projects and to teach. Also, they were agreeing to accept Chinese faculty members and researchers from China at ISU. He noted, in addition, the Chinese were anxious to send graduate students to ISU and that they really wanted to learn our technology.

MOTION: Mr. Tyler moved that the board approve the actions as recommended. Mr. Greig seconded the motion, and it passed unanimously.

ANNUAL REPORT ON STUDENT AID, 1984-85. The Board Office recommended the board receive the student aid report.

The highlights of the reports are as follows:

- o Federal student aid programs remained relatively stable during 1984-85 since the federal government deferred major changes to the programs until the process of reauthorization of the enabling legislation had begun.
- o Non-institutionally controlled federal programs showed increased in dollar value of total awards at all three universities, with the range of increase from 22.8 percent at SUI to 13.4 percent at ISU.
- o State programs at all three universities increased in dollar value of total awards, ranging from 10.9 percent at UNI to 8.1 percent at ISU.
- o At all universities, institutional programs increased in dollar value of total awards, ranging from 4.7 percent at UNI to 11.3 percent at ISU.
- o The only decrease in financial aid occurred in the institutionally controlled federal programs category, where SUI reported a decline.
- o The pool of eligible applicants is increasing at all three state universities because of rising costs and the poor economy.

For reporting purposes, student aid is divided into four categories:

Federal Programs -- Non-institutionally Controlled

- Pell Grant
- Graduate Fellowships/Assistantships/Traineeships
- Public Health Service Scholarships
- Health Education Assistance Loans
- Reserve Officer Training Corps (ROTC)
- Bureau of Indian Affairs
- Exceptional Financial Need

Federal Programs -- Institutionally Controlled

- Supplemental Education Opportunity Grant (SEOG)
- College Work/Study (CWS)
- National Direct Student Loan (NDSL)
- Health Profession Scholarships
- Health Profession Loans
- Nursing Loans

State Financial Aid Programs

- State of Iowa Scholarships

- Math/Science Loan Program
- Math/Science Grant Program
- National Guard Education Benefits
- Vocational Rehabilitation Grant
- Guaranteed Student Loan Program (includes PLUS)
- Iowa Centennial Memorial Scholarship
- Iowa War Orphans Educational Aid
- Commission for the Blind Educational Aid

Institutional Student Financial Aid Program

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

John Moore, Director of Financial Aid, University of Iowa, stated that the decline in federal support is most significant in dollar amount. The federal programs are still pretty much intact, but the erosion of the dollars over the last ten years has had a very bad effect. The increase in state support has been the guaranteed student loans.

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

TABLE 1

FINANCIAL AID SUMMARY
1979-80 THROUGH 1984-85
(IN MILLIONS OF DOLLARS)

	FEDERAL PROGRAMS INSTITUTIONALLY CONTROLLED			FEDERAL PROGRAMS NON INSTITUTIONALLY CONTROLLED			STATE PROGRAMS NON INSTITUTIONALLY CONTROLLED			INSTITUTIONAL PROGRAMS		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
1979-80	\$5.849	\$3.176	\$1.188	\$3.615	\$6.451	\$2.452	\$13.984	\$12.356	\$6.340	\$21.517	\$14.189	\$3.528
1980-81	\$4.507	\$2.929	\$1.180	\$4.898	\$7.064	\$2.453	\$25.262	\$22.130	\$4.452	\$22.707	\$15.446	\$3.361
1981-82	\$4.361	\$2.962	\$1.161	\$4.996	\$7.621	\$2.312	\$34.424	\$26.638	\$9.942	\$23.470	\$19.771	\$3.505
1982-83	\$4.511	\$2.903	\$1.336	\$4.944	\$8.667	\$2.737	\$27.803	\$19.581	\$15.683	\$27.417	\$23.020	\$4.776
1983-84	\$4.871	\$2.617	\$1.404	\$5.688	\$9.544	\$3.150	\$30.684	\$22.513	\$18.002	\$37.338	\$23.924	\$4.636
1984-85	\$4.256	\$3.424	\$1.746	\$6.986	\$10.823	\$3.616	\$33.719	\$24.342	\$19.959	\$41.326	\$26.618	\$4.854

MOTION: Mrs. Anderson moved that the board receive the annual report on student aid as presented. Miss VanEkeren seconded the motion, and it passed unanimously.

ENROLLMENT REPORT, PART I. The Board Office recommended the board receive the report.

The highlights of the reports are as follows:

- * Total headcount enrollments have decreased at the University of Iowa (-0.2 percent) and have increased at Iowa State University (0.8 percent) and at the University of Northern Iowa (3.2 percent).
- * It appears that total enrollments are approaching their peak at the universities and that in the next few years, we should have only modest increases, stable enrollments, or actual declines.
- * Enrollments of freshman students decreased at SUI and ISU (-4.1 percent and -2.0 percent, respectively) and increased at UNI (9.1 percent).
- * Graduate enrollments declined at SUI (-0.3 percent) and increased at ISU and UNI (3.0 percent and 4.4 percent, respectively).
- * FTE (Full-time equivalent) enrollment decreased at SUI (-0.3 percent) and ISU (-0.4 percent) and increased at UNI (3.6 percent).
- * Enrollment at the Iowa School for the Deaf decreased by 32, while Iowa Braille and Sight Saving School's enrollment increased by 1.

This report is the first of two enrollment reports to be received by the board this fall. It contains headcount and full-time equivalent (FTE) enrollments at the Regent universities and headcount enrollments at the two special schools. A later report on enrollment will include an analysis of university enrollments by program, ten-year enrollment projections, enrollments by race and sex, enrollments of foreign students, enrollments for all postsecondary education in Iowa, and other enrollment data requested by the board.

The total fall headcount enrollment of the three universities increased again from the fall of 1984 to the fall of 1985 as shown in the table below.

	1983	1984	# CHANGE 1983-84	% CHANGE 1983-84	1985	# CHANGE 1984-85	% CHANGE 1984-85
SUI	29,599	29,712	113	0.4%	29,651	-61	-0.2%
ISU	26,020	26,321	301	1.2%	26,529	208	0.8%
UNI	11,204	11,161	-43	-0.4%	11,514	353	3.2%
TOTAL	66,823	67,194	371	0.6%	67,694	500	0.7%

Nonresident enrollments increased from Fall 1984 at the University of Iowa by 2.1 percent and at the University of Northern Iowa by 3.0 percent and decreased 1.8 percent at Iowa State University. Enrollments categorized by undergraduate, graduate and professional levels are shown in the table below.

UNIVERSITY OF IOWA							
	1982	1983	% CHANGE 82-83	1984	% CHANGE 83-84	1985	% CHANGE 84-85
UNDERGRADUATE	20,274	21,377	5.4%	21,603	1.1%	21,586	-0.1%
GRADUATE	6,279	6,645	5.8%	6,541	-1.6%	6,521	-0.3%
FIRST PROFESSIONAL	<u>1,587</u>	<u>1,577</u>	<u>-0.6%</u>	<u>1,568</u>	<u>-0.6%</u>	<u>1,544</u>	<u>-1.5%</u>
TOTAL	28,140	29,599	5.2%	29,712	0.4%	29,651	-0.2%

IOWA STATE UNIVERSITY							
	1982	1983	% CHANGE 82-83	1984	% CHANGE 83-84	1985	% CHANGE 84-85
UNDERGRADUATES	20,868	21,739	4.2%	22,225	2.2%	22,330	0.5%
GRADUATE	3,564	3,811	6.9%	3,626	-4.9%	3,734	3.0%
FIRST PROFESSIONAL	<u>474</u>	<u>470</u>	<u>-0.8%</u>	<u>470</u>	<u>0.0%</u>	<u>465</u>	<u>-1.1%</u>
TOTAL	24,906	26,020	4.5%	26,321	1.2%	26,529	0.8%

UNIVERSITY OF NORTHERN IOWA							
	1982	1983	% CHANGE 82-83	1984	% CHANGE 83-84	1985	% CHANGE 84-85
UNDERGRADUATE	9,952	10,143	1.9%	10,124	-0.2%	10,431	3.0%
GRADUATE	1,036	1,061	2.4%	1,037	-2.3%	1,083	4.4%
FIRST PROFESSIONAL	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
TOTAL	10,988	11,204	2.0%	11,161	-0.4%	11,514	3.2%

A comparison of the institutional enrollment projections and actual enrollments for Fall 1985 indicates an underestimation in headcount for all three universities. SUI was underestimated by -1.3 percent; ISU, by -0.8 percent; and UNI, by -6.1 percent. FTE was overestimated at ISU (0.4 percent) and underestimated at SUI (-1.3 percent) and UNI (-6.7 percent).

Enrollment at the Iowa School for the Deaf has decreased by 32 students since Fall 1984. Total 1985 enrollment is 163, which is the lowest enrollment in over a decade. The Iowa Braille and Sight Saving School enrollment has increased by one student since Fall 1984. The Fall 1985 enrollment is 63, which is the first enrollment increase since 1975.

MOTION: Mr. Tyler moved that the board accept Part I of the 1985 enrollment report. Mr. VanGilst seconded the motion, and it passed unanimously.

LEGISLATIVE REPORT. Mr. Richey explained the Regents' legislative program for the 1987 session of the General Assembly would be on the docket for action at the November meeting. Members of the board and institutional representatives were urged to submit to the Board Office as quickly as possible any proposed changes in legislation or new legislation that may be needed.

FY 1987 OPERATING APPROPRIATIONS REQUEST AND SUPPLEMENTAL FY 1986 APPROPRIATIONS REQUEST. The Board Office made the following recommendations:

1. Adoption of the FY 1987 operating appropriations request of \$377.724 million.
2. Request the preparation of a special report for the Governor and the General Assembly on the condition of faculty salaries at the Regent universities.
3. Request that FY 1987 funding for comparable worth adjustments be continued at the original FY 1986 level.
4. Adoption of a supplemental FY 1986 appropriations request of \$2.1 million to replace the shortfall in tuition replacement appropriations.
5. Adoption of an FY 1987 tuition replacement appropriations requests of \$20.868 million.

In October of 1984, the board approved a biennial budget which included requests for both FY 1986 and FY 1987. The Governor subsequently made recommendations for each year of the biennium which were later reduced by one percent. The legislature approved appropriations for only the first year of the biennium. Salary adjustment funds were appropriated for both FY 1987 and FY 1986. The FY 1986 operating appropriation of \$344.8 million represented an increase of only 2.2 percent over FY 1985 and was subsequently reduced by 3.85 percent. The revised FY 1986 appropriation of \$331.3 million was a reduction of 1.8 percent or \$6.1 million from the actual FY 1985 level.

FY 1987 Requests: The institutions requested increases of approximately \$54.9 million over the original FY 1986 budgets, in addition to the salary adjustment funds already appropriated. These requests represented increases of approximately \$68.7 million over the revised FY 1986 budgets. The Board Office recommended increases of \$30.5 million over the original FY 1986 budget (in addition to the appropriated salary adjustment funds), or \$43.8 million over the revised FY 1986 budget.

The Board Office recommendation included increases of \$13.3 million to restore appropriations to the original FY 1986 level, \$3.2 million in appropriations to fund fully mandated salary adjustments, and \$22.5 million for inflation, Improving Educational Quality, and Opening New Buildings. The total recommended operating appropriations for FY 1987 would be \$377.7 million, including salary adjustment funds already appropriated which represents an increase of 9.3 percent over the original FY 1986 appropriation. The recommendation was limited to those areas of most immediate and pressing concern.

The recommended budget increases were supported in part by the 6.5 percent increase in student tuition and by an estimated increase of 7.7 percent in total sales and services income. The total Regent operating budget for FY 1987 would be \$661.154 million, an increase of 7.8 percent over the original FY 1986 budget.

The salary adjustment bill approved in 1985 provided for average salary increases for the second year of the biennium of 5.5 percent for faculty and P&S and four percent (effective January 1, 1987) plus merit increases or their equivalent for general service staff. Appropriations for FY 1987 will support only about 85 percent of the appropriated funds share of mandated salary increases. The universities have expressed particular concerns with faculty and P&S salaries. Faculty salaries increased by only two percent in FY 1986, and it is anticipated that the ranking of faculty salaries of the Regent universities relative to those of comparable institutions would drop for the current year. In order to improve this competitive position, the presidents recommended additional increases of five percent in faculty and P&S salaries for FY 1987. The institutional requests for salary increases include \$3,245,000 for mandated increases and annualization beyond the existing salary adjustment appropriation and \$16,106,000 to support the additional five percent requested.

In view of severely limited state funds and the fact that state salary policies have already been established for all state employees, the Board Office recommended only the mandated increases and annualization, for an increase in the appropriations share of \$3,245,000 beyond the existing salary adjustment appropriations.

The Board Office also recommended that the board prepare a separate special report for the Governor and the legislature on faculty salaries at the three universities to set forth the facts regarding the conditions at the institutions.

The institutions have requested a total increase over original FY 1986 budgets of \$2,406,000 for fuel and purchased electricity. In other expenditure categories, the increases requested for FY 1987 were limited to inflationary increases of four percent for supplies and services, equipment,

and building repairs, and nine percent for library books. The Board Office concurred with the institutional request of \$7,124,000 in increases for fuel, supplies and services, equipment, library books, and building repairs.

The Board Office recommended a total of \$13,810,000 in Improving Educational Quality requests. The Board Office recommendations have, in most cases, followed those approved by the board a year ago with variations reflecting changes in the priorities of the institutions and the Board Office. Emphasis was given to the areas where educational and research excellence must be maintained or achieved.

The total institutional request for FY 1987 for opening new buildings is \$1.772 million with the Board Office recommendation being \$1.602 million. Appropriation support was not recommended for opening of the Colloton Pavilion-Phase B at the University Hospitals which is consistent with the Governor's original recommendation and reduced support was recommended for the Communication and Theatre Arts Building at the University of Northern Iowa, in recognition of the partial year's support presently being provided.

Supplemental FY 1986 Requests: It was recommended that the board request a supplemental FY 1986 appropriation to replace the shortfall of \$2.1 million in tuition replacement appropriations. If the state fails to maintain its past practice of fully funding tuition replacement needs through appropriations, it would be necessary for the institutions to make necessary debt service payments from tuition and fee income, which would place a further strain on already restricted operating budgets for FY 1986.

FY 1987 Tuition Replacement Request: The institutions estimated FY 1987 tuition replacement needs for debt service payments for academic revenue bonds of \$20.868 million. The Governor's revised recommendation for tuition replacement appropriations for FY 1987 was \$19.618 million. If this recommendation were adjusted by the base reduction of 3.85 percent, the appropriation would be \$18.863 million.

President Freedman thanked the Board Office staff for the care, sensitivity and splendid cooperation shown during the budgeting process. He indicated the only exception he would raise with the recommendations was in the area of faculty salaries. He urged the board to request from the state an additional five percent so that the total increase would be 10.5 percent and stated that the additional five percent had to be viewed in a larger context which took into account not only the economic circumstances of the state, but other significant factors as well. He went on to say it was not a comfortable juxtaposition of the characteristics of a university to have the number one football team and be at the bottom of the Big 10 in salaries. He indicated the average faculty salary increase for the last three years has been a little more than 2 percent per year, and the consequences have been very severe to the university. Salary increases at other Big 10 schools this year ranged from 11.5 percent at Wisconsin to 5.6 percent at Minnesota. He

said that the state has not made a commitment to retain and attract bright people to the faculties.

President Parks stated the depressed position of faculty salaries worried him in the past but that he had never had the feeling of urgency as was present this year.

President Curris made comments about the total budget process. He stated that UNI faces several problems. He noted he had distributed at the last board meeting a score card that indicated the shortage of funds to meet obligations and added to that is \$1.6 million in reversions. The bottom line is that the University of Northern Iowa, with a record enrollment, found itself in an unbelievable situation. There are great pressures to provide quality education and actually fewer dollars than they had two years ago. Strains were evident. Faculty and staff were asked to do more and the salary position was deteriorating rapidly. He stated in the midst of the economic difficulties of the state that priorities have to be enumerated. He was prepared to make those priorities for higher education but they had to have funds to provide an education especially when the number of students had increased. He indicated that in the private world, there were options to reduce the scope of activities when the revenues were not there. Options such as that are not available in the public sector. He stated we are faced with a great challenge of trying to avoid deterioration in the quality of education, research, and service that the public expected but that there was a limit as to what can be done. He noted they would have probably 100 fewer classes offered this year than last spring; larger sections; and required courses that will be filled thereby postponing the educational process and graduation for students.

He went on to say he appreciated very much the work of the staff in coming forth with what they considered a conservative but yet realistic proposal to try and address these problems and indicating to the General Assembly and the Governor that something has to give that the institutions have come to the point where real damage is occurring. Whether we get relief is something we don't know, but the first step is taken. He stated he appreciated the concern that has been expressed by the individual members of the board. The faculty and staff appreciated the sensitivity the board demonstrated in advocating the needs of higher education.

President Freedman introduced Richard Sjolund and Jerald Schnorr of the University of Iowa faculty and Pat Piper and Mark Beck of the University of Iowa Staff Council.

Dr. Sjolund stated he was convinced the need for higher faculty salaries was so critical that it justified extraordinary attention--not despite these difficult economic times but because of them. He noted that it is the quality of the faculty in these institutions and their commitment to education and research that will determine how well the universities meet the

challenges of today and those of the future. The ability to attract, to retain, and to motivate faculty members requires a serious re-examination of salary needs. He stated he had come before the board five years ago and said that faculty morale had suffered greatly because of serious salary losses resulting from inflation. Five years later, he stated that faculty morale and salaries had gone from bad to worse. He noted that we were not alone in recognizing the importance of universities in promoting economic development. Other states, some with economies that are good and some with economies that are bad, are competing with us for those skills as well as the private sector. We need to compete, and faculty salaries are an investment for the future--not just a cost for today.

Dr. Schnorr said that Iowa's strength besides good soil and favorable crops was hard working, intelligent and honest people and a long-term dedication to higher education. He indicated the faculty was willing to undergo reallocation of resources and that the process had already started. To a large extent the state will get what it pays for. Iowa does not exist in a vacuum; other states are trying for economic development also and looking to their universities. Some states pay more and have better university reputations. The University of Iowa has lost 138 faculty members in the last two years. He stated that was not a mass exodus but that many of the ones who are leaving were the very ones you don't wish to lose. He stated they needed the board to fight for increased revenues--from the legislature and from student fees and to support the 10.5 percent salary proposal.

Mrs. Piper indicated that the Staff Council was sympathetic to the financial problems currently being endured by the state. She stated that the universities are often referred to as the "strength of the state." The education, research and technology currently present on the different campuses are the brightest hopes in a generally dismal situation; and to maintain these high quality programs, we must retain and recruit quality students, staff, and faculty. Salary alone is not the only criterion for keeping people in Iowa but it certainly is a major factor. For the University of Iowa to continue providing support and enhancement for the quality of life within the state, salaries must remain competitive. The 5.5 percent increase is a step in the right direction and an additional 5 percent would certainly be more in keeping with increasing salaries to a competitive level.

President Parks introduced Robert Hollinger, Chairman of the Faculty Council, and William Riley of Faculty Budgetary Advisory Committee.

Dr. Riley stated that Iowa State University's average salaries (based on a 9-month appointment), according to a recent survey by the AAUP were as follows:

Professor	\$41,000 (197 schools higher)
Associate Professor	\$31,500 (228 schools higher)
Assistant Professor	\$25,800 (232 schools higher)

Dr. Riley stated that averages could be misleading in that they did not convey information on the salary extremes. He noted a cursory examination of the ISU budget book revealed that a number of assistant professors had salaries in the \$19,000 to \$23,000 range. He went on to say that many students with a BS degree earn more than their former professors just a few years after graduation. The salary situation in many areas had deteriorated to the point where it would be difficult to correct without massive infusions of new funds. He noted that at no time in his 19 years at the university had he experienced either the openly stated and widespread desire to move or the frustrations over equipment procurement and maintenance and support services that were prevalent today. Raises of 0 percent, 11 percent and 2 percent for the last three years had not been reasonable when considered in terms of the raises awarded to faculty in other states and the long term loss to inflation that most faculty members experienced over the last ten years. He indicated in order to provide the funds necessary through state appropriations the legislature must begin to see the state universities as being one of the state's major industries. He stated that the appropriate level of tuition for a land-grant school was difficult to decide upon when all of the arguments regarding education for the masses was brought into conflict with the costs associated with providing a quality education in high technology field. He went on to say that so long as students in some programs could leave the university at a salary level equal to the salary of some of their professors, he thought it was difficult to argue that they had been overcharged for their education.

Dr. Hollinger stated that because of the low salaries at the university the teaching, research and service functions are suffering. Many faculty have left and others are planning to do so. Faculty members are being attracted by other states as well as private industry because the salaries at Iowa State are not competitive.

Superintendent Giangreco stated that in the area of faculty salaries, the Iowa School for the Deaf ranks 8th in the "little 10" (the schools for the deaf in the midwest). He indicated that they have had a decrease in enrollment but that many of the current students are multi-handicapped which places more strain on the faculty and much of the instruction is accomplished on a one-on-one basis. He stated that they needed more teachers and more aides and have been recruiting for a psychologist for over a year and have not had any qualified applicants.

Superintendent DeMott indicated the Iowa Braille and Sight Saving School is faced with a real problem with faculty salaries and is at a real disadvantage in competing for faculty. He noted they would like to recruit experienced faculty; but because of the salaries, they had no hope of attracting experienced people. He stated that when they had a position open, they were fortunate to have even one or two qualified individuals apply whereas there were 50 to 100 candidates for an elementary position in a public school.

Associate Vice President Small stated that we had heard a great deal about the role the universities were going to play in economic development and the importance to that role of faculty members and research. She noted that crucial to that is the participation of trained scientists who do not hold faculty appointments who make the day-to-day operation of the labs possible. She went on to say that these people were increasingly hard to retain and their salaries were not competitive.

President McDonald asked the university presidents and special school superintendents for comments concerning the proposed appropriations requests.

President Freedman indicated that the University of Iowa concurred with the recommendations of the Board Office.

President Parks stated one area where he would like to see an increase in the recommendations was in the area of Improving Educational Quality for the biotechnology and microelectronics area at Iowa State. The Board Office had recommended \$1 million for these areas, and he indicated he would like the board to consider restoring that to the \$1.5 million originally requested by the university. He stated that the university had not kept pace in those fields, and they wanted to remedy that.

President Curris and Superintendents Giangreco and DeMott stated they had no further comments to make concerning the requests.

Regent Anderson stated they had heard some very persuasive arguments to reexamine the role of the Regents in relationship to the universities and state appropriation budget process. She stated that the board had been responsive over the last couple of years in facing up to the reality of the financial situation in the state and that she was mindful of the board's dual responsibility as advocate of the universities and to the citizens of the state. She stated she would like to have more time to deal with the issue and would like to see the action on the budget deferred until the November meeting.

Mr. Richey stated that it was already late in terms of getting any revised figures into the State Comptroller and the Governor's Office but from the standpoint of pragmatism, it could probably be delayed until November.

Regent Murphy stated she needed to do some thinking about what would happen if the board asked for another 5 percent for salaries.

Regent Greig stated he would like to spend additional time during this meeting rather than delaying the matter until November.

Regent Harris stated that the state needed to have an increase in taxes dedicated to education. He asked how the other states finance their pay increases for faculty and how we compare in quality of education with those institutions.

President Freedman stated there have been a number of ways other states have financed pay increases. Some have passed sales taxes, and other have raised tuition. He stated Iowa has not slipped in quality, but other universities have advanced at a faster rate.

Regent Harris stated he would be in favor of taking action on the appropriations request at this meeting rather than deferring it.

President McDonald stated that it was interesting to note that Michigan was at or near the top salarywise and at or near the top in tuition. He stated he was interested to hear faculty representatives suggest tuition was a real bargain and perhaps too low.

Regent Tyler stated because of a business commitment he had to leave the meeting at noon and would like to postpone the decision until November.

MOTION: Mr. Tyler moved that the board defer action on the FY 1987 Operating Appropriations Request and Supplemental FY 1986 Appropriations Request until the November meeting. Mrs. Anderson seconded the motion.

Regent VanGilst asked how the sequence would work if the requests were deferred.

Mr. Richey stated that they would communicate immediately with the Governor's Office.

Ron Amosson who is in charge of the educational budgets in the State Comptrollers office stated they had not finalized the exact procedures for budget preparation. He did indicate that they would like to have as much time as possible and that a delay would cause some problems but they would not be overwhelming.

Regent VanGilst stated he was ready to vote on the request.

VOTE ON MOTION: Motion was approved with Regents Harris, VanGilst and Greig voting nay.

CAPITAL IMPROVEMENT REQUEST FOR 1986-87. The Board Office recommended approval of capital recommendations as outlined on the following page in the amount of \$32,660,000.

State Board of Regents
Recommended Capital Program, 1986-87
(000s omitted)

Institution/Name of Project	1984 Request by Institution	Approved by Board	1985 Request by Institution	Board Office Recommendation
<u>UNIVERSITY OF IOWA</u>				
Chemistry/Botany Remodeling--Phase II	\$8,500	\$8,500	\$8,550	\$8,550
Engineering Building Addition	27,000	800 b	800	800
Business Building--Planning	400	400	400	400
Replacement Boiler--Phase I--A	11,840 a	-- c		
Water Line Replacement--Riverside to West Campus	1,460)	2,000	2,000 d	2,000
Water Distribution System Improvements	800)			
TOTAL	<u>\$50,000</u>	<u>\$11,700</u>	<u>\$11,750</u>	<u>\$11,750</u>
<u>IOWA STATE UNIVERSITY</u>				
Gilman Hall Remodeling--Phase II	\$4,200	\$4,200	\$5,400	\$5,400
Home Economics Addition--Phase I	7,000	3,500	9,000	4,000
Industrial Education Remodeling	5,000	3,000	3,000	--
Genetics Addition (Plant Breeding Tech.)	3,090	100 b	100	3,000
Coover Hall Remodeling (Micro- electronics & Comp. Engineering)	3,030	100 b	100	100
Agronomy--Equipment (under construction)	5,700	2,000	2,000	2,000
Vet. Med. Research Institute (VMRI) Animal Care Facility	1,770	200 b	200	200
Davidson Hall Remodeling (Ag. Engr.)	4,000	100 b	100	
Home Economics--Equipment	1,050	--	--	--
Education Building--Phase II--Equipment	750	--	--	--
Agricultural Diversification Facility	70	70	70	70
Food Crops Research Center Remodeling (Dairy Industry Building)	500	500	500	500
Computer & Mathematical Sciences-- Phase I	17,170	--	--	--
Replace Steam Generator #2 & Pollution Control Equipment	16,908	-- c	--	--
Electric Interconnection with City of Ames (or increase generating capacity)--Phase I	7,000	--	--	--
Sewer System Improvements	1,000	--	--	--
North Campus Electric Substation	750	--	--	--
City of Ames--Water Pollution Control Plant Improve.--Phase I (ISU share)	1,950	--	--	--
City of Ames--Water Distribution System Improvements--Phase I (ISU share)	650	--	--	--
University Fire Safety Deficiencies	1,250	--	--	--
TOTAL	<u>\$82,838</u>	<u>\$13,770</u>	<u>\$20,470</u>	<u>\$15,270</u>

a--Entire Phase I cost estimated at \$29 million. Phase I-8 funds would not be expended until 1987-89.

b--Planning funds recommended for the 1985-87 biennium.

c--Regents authorized funding of replacement boilers with revenue bonds.

d--Project now includes extension of loop "E" electrical line and reconstruction of the Grand Ave. utility tunnel.

BF3-04-eld-10/18/85

State Board of Regents
Recommended Capital Program, 1986-87
(000s omitted)

Institution/Name of Project	1984 Request by Institution	Approved by Board	1985 Request by Institution	Board Office Recommendation
<u>UNIVERSITY OF NORTHERN IOWA</u>				
Classroom Office Building	\$9,400	\$500 a	\$10,200	\$10,200 *
Latham Hall Remodeling	3,100	3,100	3,200	3,200
Wright Hall Remodeling	2,300	200	2,300	150
Library Addition	5,300	--	5,300	--
Bartlett Hall Remodeling	1,150	1,150	--	--
Art II Remodeling	900	900	1,000	1,000
Museum Relocation	380	--	--	--
Health, Physical Education, and Recreation Center--Phase II	16,000	--	--	--
Electrical Distribution System Improvements--Phase II	723	--	--	--
Steam Line Improvements	385)			
Storm and Sanitary Sewer Improvements	270)			
Water Distribution System Improvements	100)	500	500	500
Remove/Clean PCB Transformers	105)			
Install Central Well Water System	426)			
Research and Instructional Equipment	--	--	--	--
TOTAL	<u>\$40,539</u>	<u>\$6,350</u>	<u>\$22,500</u>	<u>\$15,050</u>
<u>IOWA SCHOOL FOR THE DEAF</u>				
Main Building/Dormitory Remodeling	\$250	\$250	\$250	--
Multi-Use Recreational Facility	1,500	--	1,500	--
Instructional Media Center	600	--	600	--
Energy Management Control System Improvements	150	100	150	\$100
TOTAL	<u>\$2,500</u>	<u>\$350</u>	<u>\$2,500</u>	<u>\$100</u>
<u>IOWA BRAILLE AND SIGHT SAVING SCHOOL</u>				
Utility Distribution System Improvements--Phase I	\$200	\$100	\$100	\$50
Main Building Roof Replacement	60)			
Window Replacement--Main Building and Rice Hall	30)	90	90	90
Energy Management Control System Improvements	80	50	50	50
TOTAL	<u>\$370</u>	<u>\$240</u>	<u>\$240</u>	<u>\$190</u>
TOTAL FOR REGENT INSTITUTIONS	<u>\$176,247</u>	<u>\$32,410</u>	<u>\$57,460</u>	<u>\$42,360</u>

a-Planning funds recommended for the 1985-87 biennium.

* Not a part of original board office recommendation: added by the board.

For the 1986-87 fiscal year, the institutions requested \$57,460,000 in capital projects. The Board Office, working with the institutions, carefully reviewed the capital needs which were identified. The Board Office recommended a capital program of \$32,660,000. In developing the recommendation, the Board Office attempted to identify and provide for essential needs, particularly projects related to instructional and research missions of the university.

The following is an overview of the capital program:

University of Iowa: The recommendation of the Board Office is consistent with the request which was approved by the board last year. The only modification that the university made in presenting its request was the addition of \$50,000 to the Chemistry-Botany Remodeling project. Therefore, the Board Office recommended \$11,750,000 for four capital projects including planning funds for the Engineering Building Addition and the Business Building. The planning funds recommended for the Engineering Building would permit the project to proceed through completion of construction documents of a 115,000 gross square foot addition or 65,000 square feet net assignable space. The size of the structure is comparable to the size of the Mechanical Engineering Building nearing completion at Iowa State University. The project, however, is smaller than the 142,000 gross square feet originally requested by the university.

Iowa State University: The university revised the estimated budget for the second phase of Gilman Hall Remodeling to \$5,400,000. The Gilman Hall Remodeling project, like Chemistry-Botany at the University of Iowa, is to remove fire and environmental safety deficiencies from a major teaching and research facility. Last year the board approved \$3 million as a first phase of the remodeling of the old vet clinic for use by industrial education and \$100,000 for planning in Davidson Hall. The Board Office believed that the funds were more urgently needed for other capital projects and did not recommend funds for these projects. The board previously approved funding for schematic planning of the Genetics Building Addition. Given the importance of molecular-genetics and the momentum initiated through the gifts for endowed chairs from Pioneer Hi-Bred International, it was recommended that \$3 million be used to complete remodeling and an addition. The Home Economic Addition--Phase I was approved for \$3.5 million last year. The institution requested \$9 million to construct the addition and undertake remodeling in the existing building, an increase of \$2 million. The staff recommended that \$500,000 of the proposed increase be funded, providing for \$4 million to undertake the first phase of the addition. The staff recommended \$200,000 to undertake planning on the Veterinary Medicine Research Institute--Animal Care Facility. Also \$100,000 was recommended for preliminary planning on Coover Hall Remodeling for computer and electronic engineering to meet pressing space needs of microelectronics.

President Parks indicated that he would not argue that genetics is not important but indicated there were reasons why the \$3 million should be put into industrial technology. He stated they were ready to go on the Industrial technology building and that they were not ready to go on the genetics project. He noted that the industrial technology building was an important link in the chain for the future.

Regent Greig stated he was not aware of the internal plans but that he had a very good idea as to the problems in the country and that not only would he agree with the recommendation of the executive secretary but also stated something he indicated would be unpopular but that he thought emphasis should be placed elsewhere than in Home Economics. He stated the board really needed to look at the bottomline and needed to reconsider some of its priorities.

President Parks stated he respected Regent Greig's judgment and assessment of the state's situation. He stated Home Economics was a different subject, he thought and that Home Economics did not play as important part in economic development as other areas but that it was an important part of the university. He stated that he thought it was a mistake to put all the emphasis on areas of economic development.

Mr. Richey stated the recommendations related to the mission of Iowa State University and the needs of the state and that it was the understanding of the Board Office that the time element on the two projects was not substantially different on the two projects.

Vice President Madden stated that a program statement had not been completed on the genetics projects and that it would be difficult to get it out for bids in the 1987 construction year.

Mr. Richey stated that according to information furnished by the university, planning time for each of the projects did not differ significantly. The Industrial Education Building is projected to take eight months to finish the drawings and be ready for bidding, and the Genetics Addition is expected to take fourteen months. Therefore, planning for the Genetics Building Addition will not take any substantially longer time to complete than the Industrial Education remodeling.

Regent Anderson stated she questioned the integrity of our process when priorities were switched. She indicated she would like to support the university's original request in the light of the fact that it is the same request that had been made last year. She stated that she felt that institution knew better what the institution was ready to do. She asked what had changed from last year to this year to change the priorities.

Mr. Richey stated his purpose in making the recommendation was to allow the board to examine whether it wished to change priorities taking into consider-

ration the lottery proposals for genetics, the thrust in the special needs and improving educational quality.

Regent Anderson raised the question of what is economic development. She stated that part of her problem was that we were throwing around the word economic development in connection with certain activities and not with others. She indicated that what goes on in industrial technology probably contributed in the long run to economic development as much as genetics.

Vice President Madden stated an option might be that only one wing on the Gilman project be completed which would leave about \$3 million which could be put on the industrial technology project.

Mr. Richey stated that his concern was in terms of the condition of Gilman and the urgency of getting that done. He also indicated that we didn't know how this would be funded. If it was funded through bonding, it made a lot of sense to get all of the Gilman Hall project in this plan and we really could not risk leaving the job half done.

President Parks stated that Gilman Hall housed two of the most vital departments, Chemistry and Physics which are really at the heart of economic development.

Regent Greig stated we couldn't look at long term needs that we had to focus on the short term. He indicated a need to look very short term and determine how we could stimulate something now.

Regent Harris asked for comments from President McDonald.

President McDonald stated he had had the same opportunity to make an assessment as the rest of the board. He stated his personal view was the same as Regent Greig and the recommendation of the Board Office.

Regent Anderson stated she was concerned about it only from the standpoint of the university which was also aware of current conditions and its mission.

President Parks stated it was the judgment of the university to go with the industrial building. He stated that the board was the state's representative in making these decisions and it was closer to the state's emergency than the university. He stated if the board decided to go with the genetics building instead of the industrial education project he hoped that it would be considered nonprecedent setting.

University of Northern Iowa: The university requested \$22,500,000 in capital funds for six capital projects. Last year the board approved \$6,350,000; and the board staff currently recommended \$5,350,000. Since last fall the university initiated the remodeling of Bartlett Hall using internal reallocated funds. The \$1,150,000 approved by the board last year was deleted from the university's recommendation. The Board Office recommen-

dation includes \$500,000 for planning a Classroom/Office Building for the School of Business Administration. This project is designed to plan for the construction of a \$10,200,000 facility. The Board Office concurred in the university's request to increase the figure for remodeling of Latham Hall by \$100,000 to \$3,200,000. Also recommended by the Board Office is \$1 million to remodel the Art II Building. The Board Office noted that the structure is being vacated with the opening of the Communication Arts Center and could be renovated to accommodate departments such as Print Services, Military Science, and Safety Education. However, the \$1 million remodeling cost for a facility containing 10,000 net assignable square feet appeared to be high. The Board Office indicated that the university may want to look carefully at the merits of investing such a sizable sum in a small facility and may want to consider the benefit of using \$1 million toward another capital need and razing the facility when the old power plant is dismantled.

President Curris stated that they felt an inadequate amount was recommended. His concern dealt with the shortage of classroom space in the School of Business. He asked that the board consider full funding for the classroom office building either through appropriations or bonding. He noted that the building would include computer laboratory space for the overall educational program of the institution which has been housed in the old library building which the School of Business has outgrown. He stated that they had serious space problems and felt high priority must be given to the sufficiency of space. He indicated that they had experienced an enrollment increase which was not projected, and the increase in the number of freshmen was up 12 percent and that gets rolled over into the upper classes. Majors in the School of Business went up 30 percent. Another problem is that the faculty was willing to increase the number of students, but they don't have large classrooms to accommodate the larger classes. He stated that it was the number one priority of the university and has become a critical need to move expeditiously and asked that the board upgrade the recommendation from planning funds to construction funds.

Iowa School for the Deaf: The Board Office recommendation included \$100,000 to undertake installation of additional computerized energy management control systems throughout the campus. The project would enable the school to accomplish additional energy conservation measures and to connect the remaining buildings to central energy control system. The work to be accomplished will have a payback of 3-5 years.

Mr. Richey stated his recommendation did not include \$250,000 for dorm remodeling so that the mission of the institution could be reviewed over the next year and that if the mission was changed, this program might not fit and even be in conflict.

Iowa Braille and Sight Saving School: A similar energy management program was recommended for IBSSS at a cost of \$50,000. A project costing \$50,000 to continue renovation and repairs of the storm and sanitary sewer systems, steam distribution systems, and water lines was also recommended. The Board

Office stated the advanced age and deterioration of these utility systems presented a danger to students and staff. A remodeling project to replace the roof of the Main Building and to replace deteriorated and energy inefficient windows on the auditorium wing of that structure was also recommended. In addition, the exterior doors on several other structures would be replaced to improve security safety as well as energy conservation with \$90,000 being recommended.

The Board Office noted that since 1969, the board had received total capital funds of \$265,000,000 -- 65 percent of that amount came from academic revenue bonds and 35 percent from capital appropriations. The Board Office recommendation for 1986-87 does not identify a particular source of funding--direct appropriations or bonding.

MOTION: Mr. Greig moved that the board approve the actions as recommended by the Board Office for the Capital Improvement Request for 1986-87 with the caveat that the Industrial Education remodeling at Iowa State University be postponed for one year and not removed from the list of priorities. Dr. Harris seconded the motion.

Mr. Richey stated the real question before the board was with respect to the classroom building at the University of Northern Iowa--whether to approve planning or changing the recommendation to provide \$10,200,000 for construction. He noted that the \$32,660,000 recommended was very close to the program submitted a year ago.

President McDonald stated that he had a great deal of sympathy with what President Curris said but that the recommendation for planning funds was a clear signal and understanding of the need.

AMENDMENT TO MOTION; Dr. Harris moved to amend the motion to add the cost of full construction of the Classroom Office Building at the University of Northern Iowa to the 1986-87 capital request. Mr. VanGilst seconded the motion to amend.

VOTE ON AMENDMENT; Amendment was approved with Regents McDonald and Greig voting nay.

VOTE ON AMENDED MOTION: Motion was approved with Regent VanEkeren voting nay.

Regent Greig stated this discussion brought out the importance of a retreat for long range planning.

Regent Harris stated it also pointed out there must be flexibility, and the board must be able to deal with change.

ACADEMIC REVENUE BOND ADVANCED REFUNDING. The Board Office recommended the board receive the report on advanced refunding of \$138 million in outstanding academic building revenue bonds.

The report outlined that refunding the \$138 million in outstanding Regents academic revenue bonds was estimated to produce \$3 million in present value savings. With the use of bond reserve insurance, a refunding would also eliminate the need for a bond reserve which had been a requirement in all previous academic revenue bond issues.

The net effect of a refunding in the next several years would be \$8.9 million in liquidated reserves available for other uses and \$2.5 million in avoided future reserve fund contributions. The most serious drawback to the refunding would be the deleterious effect it would have on interest rates for any new academic revenue bonds sold in the next several years.

The impact on existing bonds holders would be substantial. An estimated 80 percent of outstanding Regent bonds are held by Iowans. The liquidity and market value of Regent bonds held by these persons would be adversely affected. It was roughly estimated that the immediate devaluation of these bonds would be several millions dollars because of the higher yield of the new refunding bonds.

The report noted that both Congress and the Reagan administration were proceeding toward substantial tax reform including the elimination of advance refunding. Should such tax changes occur, they are anticipated to be effective January 1, 1986. Therefore, if the board were to issue advance refunding, it must act before the end of 1985.

The Board Office report noted that the proposal to refund all outstanding Regent academic revenue bonds was referred by the Governor's Office to the Board Office for analysis. The original proposal was prepared by Paine Webber, Inc.

Mr. Richey explained that refunding of bonds was new to the Iowa Board of Regents but because of possible financial advantages, it had been seriously considered by the Board Office. Despite the \$3 million in present value savings over the life of the bond issue, this proposal was primarily driven by the immediate possibility of expense reduction or capital funds availability created by the use of bond reserve insurance. Liquidated reserves would make available \$8.9 million for alternative uses.

The principal drawbacks to the proposals were the speed with which the financing needed to be completed, the increased interest costs expected in any new Regent bonds sold in the next several years, and the devaluation of outstanding Regent bonds.

Because the substantial negative effects of a large bond refunding and the marginal long-term savings overshadowed the potential immediate savings from an academic building revenue bond refunding, the proposal did not appear to be viable for the Board of Regents.

MOTION: Mr. Greig moved that the board receive the report on the academic revenue bond refunding. Mr. VanGilst seconded the motion, and it passed unanimously.

REPORT ON FINANCING OF BOILERS. Mr. Richey stated that last month it was reported the issue of \$68 million in bonds for the boilers instead of \$56 million was necessary. This was due to the spread between short term and long term bonds had narrowed and due to the 3.85 percent reversion, the institutions could not subsidize the debt service payments during construction. The alternative was to issue short term securities during the period of construction. He indicated he had assured the Governor's Office that the demands on the state from fuel and purchased electricity had not changed from the report of a year ago. The indication was that the Governor's Office would not raise objection to increasing the bond issue. He went on to say the Requests for Proposals would be issued next week and the Board Office and the institutions would start evaluating proposals from underwriters for presentation to the board in December. He noted that the legislative leaders would be fully briefed.

ACTION: President McDonald stated the report was received by general consent of the board.

BOARD OFFICE BUDGET. The Board Office recommended approval of the revised Board Office for FY 1986 and preliminary budget for FY 1987.

Mr. Richey explained that the revised budget of \$776,031 for the operation of the Board Office for FY 1986 was a decrease of \$20,854 from the budget approved by the board at its June 1985 meeting. The decrease in total expenditures was mandated by the 3.85 percent appropriation reduction ordered by the Governor on top of an original 1 percent appropriation reduction. The Board Office also received \$2,061 less in salary adjustment and comparable worth funds than expected. The Board Office expects to meet these reduction requirements by holding open the position of Administration Assistant/Minutes Secretary through the 1986 fiscal year.

The proposed budget for FY 1987 is \$833,897. This represents an increase of 7.4 percent over the revised budget of the current fiscal year and an increase of 4.6 percent over the original FY 1986 budget. The increase is due to the restoration of the position of Administrative Assistant/Minutes Secretary position, mandated state salary policy, and an assumed inflation rate of 4 percent for nonsalary items.

The Board Office budget is outlined on the following page.

MOTION: Dr. Harris moved that the board approve the Board Office budgets as presented. Mrs. Anderson seconded the motion, and it passed unanimously.

REPORT BY REGENTS BANKING COMMITTEE. Mr. Richey stated that the Banking Committee met yesterday. Regents McDonald, VanGilst and Tyler are members of the committee. The committee heard reports on the divestiture of securities of companies doing business in or with South Africa. The University of Iowa has divested, and Iowa State University will have completed divesting in the next 30 days. The University of Northern Iowa had no securities of companies doing business in or with South Africa to divest. The committee considered the enlarged investment authority approved by the legislature and instructed the Board Office and the institutions to draft an investment policy for the committee's review consistent with the legislation.

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

REQUEST BY VENDOR FOR HEARING. The request for an oral hearing by Brown, Winick, Graves, Donnelly, and Baskerville on behalf of Marshall Motor Coach, Inc., was withdrawn.

EMPLOYEE APPEAL. The Board Office recommended that the board defer action on the request by an employee for review of a final institutional decision in the confidential personnel matter until the completion of a review by the Office for Civil Rights of the U.S. Department of Education in the same manner.

BOARD OFFICE BUDGET

	Actual FY 85	Revised Budget FY 86	FY 87 Governor Recom	Approved 10/17/85 Revised Proposed Budget FY 87
EXPENDITURES:				
Salary & Fringes	\$627,739	\$641,931	\$677,822	\$694,433
Board Member Per Diem & Expense	24,137	30,000	30,076	31,200
Travel	35,432	23,600	27,095	24,544
Office Expense	50,850	47,000	42,585	48,880
Phone	28,186	31,500	31,263	32,760
Equipment	778	1,000	1,000	1,040
Outside Service	2,082	1,000	1,000	1,040
TOTAL EXPENDITURES	<u>\$769,204</u>	<u>\$776,031</u>	<u>\$810,841</u>	<u>\$833,897</u>
INCOME:				
State Appropriations	\$433,343	\$459,581	\$461,673	\$472,826
Salary Adjustment Funds	32,363	10,315	10,315	17,043
Comparable Worth	800	8,813	8,813	8,813
Mandatory Reduction (1% + 3.85%)		(22,849)		
Less Reversion		(2,480)		
	<u>\$464,026</u>	<u>\$455,860</u>	<u>\$480,801</u>	<u>\$498,682</u>
INSTITUTIONAL REIMBURSEMENT:				
General Operations	\$ 82,768	\$ 90,379		\$ 92,847
Employee Relations & Merit	190,041	204,777		216,040
EEO	17,613	20,815		21,960
	<u>\$290,422</u>	<u>\$315,971</u>	<u>\$325,610</u>	<u>\$330,847</u>
MISCELLANEOUS RECEIPTS:				
	\$ 14,756	\$ 4,200	\$ 4,430	\$ 4,368
TOTAL INCOME	<u>769,204</u>	<u>776,031</u>	<u>810,841</u>	<u>833,897</u>

- ASSUME:
- 1) 5.5% salary increase for P&S as of 1/1/87
 - 2) 4% C.O.L. adjustment as of 1/1/87
 - 3) Merit employees raises as scheduled
 - 4) 4% inflation for non-salary items
 - 5) Same funding level for '87 as '86 for comparable worth
 - 6) Salary adjustment funding for 1987 to cover a 4% COL and merit increases when due
- 1 Annualized salaries and fringes for 19 FTE. Restoring position not staffed in FY 1986 due to budget restraints.
 - 2 The revised budget for FY 1986 reflects a salary reduction. The Board Office will hold open one position, that of Administrative Assistant, during FY 1986 due to the combined appropriation cut of 4.85%.

Director Wright explained that the professor sought removal of a letter of discipline and the employee had requested the board's review of the matter without making the record public. Pursuant to section 21.5(1)(i) of the Code of Iowa, this matter may be reviewed confidentially. He further explained that the facts were before the board at the June meeting where the issue of timeliness was considered. An element the employee used to support his request for review was a finding by the Department of Education Office for Civil Rights that the student's claim against the professor could not be supported.

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

EMPLOYEE APPEAL -- KENNETH G. MADISON, IOWA STATE UNIVERSITY. The Board Office recommended that the board deny the request for review by Kenneth G. Madison of a final institutional decision at Iowa State University by which Dr. Madison was denied promotion in rank from Assistant Professor to Associate Professor, retroactive to September 1, 1977, and denied salary increases and fringe benefits which would have been associated with retroactive promotion.

Director Wright explained that Dr. Madison alleged irregularities by tenured members of his department (History) who were senior to him in their failure to promote him. Consideration to his request for promotion had been given by his departmental committee on promotions, his departmental executive officer, the dean of his college, the Faculty Appeals Committee, the university vice president, and the university president. Mr. Wright noted that none of these entities supported his request for retroactive promotion. It was generally found that his teaching and service were satisfactory but that his research did not rise to the level expected of an associate professor.

Director Wright went on to say that the board had received the morning of the board meeting copies of a letter to President McDonald from Dr. Madison in which he claimed that the Board Office docket memorandum was biased and the decision was based too much on the Faculty Appeals Committee's decision and that the Board Office had not adequately reviewed the 310 pages of material he had submitted.

Director Wright further noted that because of the extensive review this matter had been given at the campus and because the record submitted by the grievant did not give rise to a finding of irregularity which would warrant review by the board, it was recommended that the board deny the request for review. He also noted that this completed the administrative process and would free the grievant to pursue judicial review as may be allowed by law.

MOTION: Mrs. Anderson moved that the board approve the actions as recommended above. Mr. Greig seconded the motion, and it passed unanimously.

EMPLOYEE APPEAL -- DR. ROBERT MORIN, UNIVERSITY OF NORTHERN IOWA. The Board Office recommended that the board deny the request of Dr. Robert Morin for review of a final institutional decision which removed him from the position of Dean of the College of Social and Behavioral Sciences at the University of Northern Iowa.

Director Wright explained that the grievant requested, among other things, that the university be directed to rescind a final institutional decision removing him as dean. The university had determined that new leadership was needed for the college based on evaluations made of Dean Morin. Dr. Morin would retain his status as a tenured full professor at the university.

Director Wright went on to explain that the deanship was classified as an institutional official and that institutional officials served at the pleasure of the institution and board with the institutional chief executive officer acting for the board. He further noted that Dr. Morin had distributed to the board prior to the meeting six additional items for the board's consideration which Director Wright reviewed for the board.

Director Wright stated there appeared to be no irregularities in the university's actions in this matter and that he had had indications from Dean Morin that he wanted to address the board and that Dean Morin was present with his counsel.

President McDonald stated the question before the board was whether or not to grant a review or hearing by the board and to recognize Dr. Morin would be tantamount to granting of a hearing. He went on to say that the proper action would be to proceed to the question before the board.

MOTION: Mr. Greig moved that the board approve the actions as recommended. Mrs. Murphy seconded the motion, and it passed unanimously.

ANNUAL REPORTS OF THE ISD AND IBSSS ADVISORY COMMITTEES. The Board Office recommended the board receive the annual reports.

The advisory committees for the Iowa School for the Deaf and the Iowa Braille and Sight Saving School were established over a decade ago upon the recommendation of several outside consultants and review committees to provide the board and the two special schools with a level of review and expertise not otherwise available.

President McDonald recognized Dr. Kenneth Moll, Associate Vice President for Academic Affairs at the University of Iowa and the chair of both committees during the past year.

Dr. Moll stated that the year had been a good one for the advisory committees particularly in relation to the academic programs.

The ISD Advisory Committee discussed topics such as reports on the new parent consultant at the school; a report on the establishment and functioning of the ISD Senate and the Parent Advisory Committee; a review of the sex education curriculum at the school; a review of the curriculum planning process; a report on residence hall remodeling; a report on total communication; the development of a long-range computer plan; and the efforts underway to provide federal grant opportunities for the school.

The IBSSS Advisory Committee reviewed and provided advice on individual education plans; the summer institute for teachers of the visually impaired which was a cooperative undertaking by IBSSS and UNI; the role of IBSSS as a special depository for materials for the blind; a discussion of federal grant possibilities; efforts by IBSSS to integrate with the community schools; institutional program plans and long-range living environment; a follow-up study of former students; and the ISU pre-student teaching experience at IBSSS.

The Board Office summarization of the committees' reports noted that the committee should be congratulated for their time and efforts in providing advice to the two special schools.

President McDonald noted that Dr. Moll had done an excellent job in chairing the committees.

MOTION:

Dr. Harris moved that the board accept the reports of the ISD and IBSSS Advisory Committees. Miss VanEkeren seconded the motion, and it passed unanimously.

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

CONSENT

The following consent items were presented to the board:

GENERAL

BOARD OFFICE PERSONNEL REGISTER. The register contained the following personnel transactions:

Resignation: Cheryl Floyd, Secretary I/Receptionist, effective October 17, 1985.

Appointment: Patricia Perry, Secretary I/Receptionist, Grade 505, Step 3 at an annual salary of \$12,590 plus the usual fringe benefits, effective October 14, 1985.

NEXT MEETINGS:

November 11-15		Des Moines
November 20-21	Iowa School for the Deaf	Council Bluffs
December <u>18-19</u>	Iowa State University	Ames
January 15, 1986		Des Moines (if needed)
February 19		Des Moines
March 13	University of Northern Iowa	Cedar Falls
April 23	University of Iowa	Iowa City
April 24	Iowa Braille & Sight Saving School	Vinton
May 21-22	Iowa State University	Ames
June 18-19	University of Northern Iowa	Cedar Falls

Underscored date (__) indicates choice if meeting is to be held one day.

STATE UNIVERSITY OF IOWA

Register of Personnel Changes for September 1985.

IOWA STATE UNIVERSITY

Register of Personnel Changes for September 1985.

Post-Audit Report on the Master of Arts Degree in Anthropology referred to the Institutional Committee on Educational Coordination and the Board Office for review and recommendation.

UNIVERSITY OF NORTHERN IOWA

Register of Personnel Changes for September 1985.

IOWA SCHOOL FOR THE DEAF

Register of Personnel Changes for September 1985.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

Register of Personnel Changes for August 25 to September 21, 1985.

MOTION:

Mr. Greig moved that the board approve the items on the consent docket. Mr. Tyler seconded the motion, and it passed unanimously.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Thursday, October 17, 1985.

APPOINTMENTS. The following appointments were presented for approval:

June D. Cargile as Director of Affirmative Action effective October 16, 1985, at a salary of \$37,500.

George A. Schuldt as Acting Director of Personnel Services, effective October 17, 1985, at a salary of \$40,100.

Reynold Spector, M.D. as Director of the Clinical Research Center, College of Medicine, effective October 16, 1985, at his current salary of \$114,000.

Joseph Sedransk as Chair of the Department of Statistics and Actuarial Science in the College of Liberal Arts for a two and one-half year term effective January 16, 1986 at an academic-year salary of \$68,000.

MOTION:

Mr. Greig moved that the board approve the appointments as outlined above. Dr. Harris seconded the motion, and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS. The Board Office recommended acceptance of the annual report for the period July 1, 1984 through June 30, 1985.

The University of Iowa reported a total of 68 resignations in the 1984-85 year, exactly the same number as reported last year. The number of resignations per year ranged from 54 in 1982-83 to 84 in 1980-81. The average, including the most recent report, is 74 resignations per year. The total number of faculty accepting positions in other universities increased eight over that reported in 1983-84 and is two over the nine-year average.

	ACCEPTED POSITION WITH ANOTHER UNIVERSITY		RETURNED TO SCHOOL TO CONTINUE EDUCATION		ACCEPTED JOB IN GOVERNMENT/ PRIVATE SECTOR		OTHER		TOTAL
	#	%	#	%	#	%	#	%	#
Total 1976-77	47	59%	0	0%	28	35%	5	6%	80
Total 1977-78	38	51%	0	0%	26	35%	11	15%	75
Total 1978-79	48	60%	2	3%	21	26%	9	11%	80
Total 1979-80	47	61%	1	1%	21	27%	8	10%	77
Total 1980-81	51	61%	5	6%	22	26%	6	7%	84
Total 1981-82	39	50%	4	5%	28	36%	7	9%	78
Total 1982-83	36	67%	2	4%	12	22%	4	7%	54
Total 1983-84	37	54%	2	3%	18	26%	11	16%	68
Total 1984-85	<u>45</u>	<u>66%</u>	<u>3</u>	<u>4%</u>	<u>15</u>	<u>22%</u>	<u>5</u>	<u>7%</u>	<u>68</u>
9 YR AVERAGE	43	58%	2	3%	21	29%	7	10%	74

The proportion of resignations for women (24 percent) was the same as reported in the previous year and was slightly larger than the figures reported in 1982-83 (20 percent) and 1981-82 (22 percent).

The proportion of resignations from full professors was slightly less than last year (by 1 percent), while that of assistant professors decreased (by 2 percent) and associated professors increased (5 percent). Of the total 68 resignations, 40 were assistant professors, 14 associate professors, and 14 professors.

ACTION: President McDonald stated the resignation report was received by general consent.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION SYSTEM. The Board Office recommended approval of the following revision and additions to the classification plan:

Director-Financial Management from pay grade 16 (\$37,910 - \$60,100) to pay grade 17 (\$41,030 - \$65,050);

New Classes

<u>Title</u>	<u>Grade</u>
Associate Registrar - Systems, Services	10 (\$23,570 - \$37,710)
Director of Business and Liberal Arts Placement	14 (\$32,360 - \$51,300)
Health Laboratory Scientist I	6 (\$17,170 - \$27,210)
Health Laboratory Scientist II	9 (\$21,780 - \$34,520)
Health Laboratory Scientist III	11 (\$25,520 - \$40,810)

The pay grade increase for the University Hospitals Director-Financial Management was to recognize continuing growth and expanded functions for which the financial management unit was responsible. A reorganization in the office of the Registrar led to the new associate position. The new class of Director of Business and Liberal Arts Placement was needed to recognize the reorganization under which the placement activities of the two colleges merged. A new class series, Health Laboratory Scientist I, II, and III is to support physicians and health care officials in determining the relationship of environmental hazards to human health. It should be noted that the use of the Health Laboratory Scientist series was dependent on funding which had been requested from the legislature.

Funding for all of the other changes is available from existing resources, and all pay grade assignments are the result of application of the university's point count evaluation instrument.

MOTION: Mr. Greig moved that the revision and additions to the Professional and Scientific Classification System as outlined above. Miss VanEkeren seconded the motion, and it passed unanimously.

RESIGNATION. Approval of the retirement of Fred Doderer as Director of Personnel Services, effective September 30, 1985, was requested.

Mr. Doderer completed 38 years of service in the university's personnel office before retiring on September 30.

Associate Vice President Small noted that his retirement was the culmination of the first retirement program at the university.

President McDonald stated that the board accepted the resignation and acknowledged the great service that Mr. Doderer had rendered for such a long time to the University of Iowa.

ACTION: President McDonald stated the board accepted the resignation by general consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTION. The Board Office recommended approval of the register for the period September 7 through October 4, 1985.

Highlights of the register are as follows.

PROJECT DESCRIPTIONS AND BUDGETS

Recreation Building--Correct Structural Problems

Source of funds: Recreation Building Reserve Funds and
Income from Treasurer's Temporary Investments \$710,000

The university requested approval of the project and preliminary budget to correct the structural deterioration of the laminated wood roof beams due to moisture. The work would involve installation of shoring to support the roof structure.

CONSULTANT AGREEMENTS

College of Law Building--Site Development
Shive Hattery Engineers, Iowa City, Iowa

Increase: \$38,965

The university reported the amendment to the board for ratification. The additional work covered by the amendment includes supervision and field testing during the construction phase of the project.

CONSTRUCTION CONTRACT

Human Biology Research Facility--Phase I

Award to: McComas/Lacina Construction Co., Iowa City, Iowa

Base Bid of: (6 bids received) \$319,494

This construction award was for the site development/excavation of the footings for the facility and was within the approved budget.

No capital project status report was submitted by the university. When contacted by the Board Office staff, university administrators indicated one had not been prepared due to the press of other university business. They indicated the report would be available at the November meeting.

The university provided a scale model of the Human Biology Research Facility as well as samples of the exterior brick which would be used for the building.

MOTION:

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

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

(a) EDUCATIONAL CONCEPTS, LTD. for the use of approximately 275 square feet of space (Room 219) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing November 1, 1985, and ending October 31, 1986, at a rate for the period of \$1,650.

(b) SOLA MENTE for the use of approximately 286 square feet of space (Room

131) in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing November 1, 1985, and ending October 31, 1986, at a rate for the period of \$1,716.

The Board Office noted that the businesses met the requirements for assistance in the Technology Innovation Center; and the tenants would use the space for offices, applied research, product development, and new business marketing. The rental rates are calculated at \$6 per square foot per year and include utilities and services.

MOTION:

Mrs. Anderson moved that the board approve the leases as follows: (a) Educational Concepts, Ltd., for the use of approximately 275 square feet of space in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing November 1, 1985, and ending October 31, 1986, at a rate for the period of \$1,650; and (b) Sola Mente for the use of approximately 286 square feet of space in the Technology Innovation Center at the Oakdale Campus for a period of one year commencing November 1, 1985, and ending October 31, 1986, at a rate for the period of \$1,716. Miss VanEkeren seconded the motion, and upon the roll being called the following voted:
AYES: Anderson, Greig, Harris, McDonald, Murphy, VanEkeren, VanGilst.
NAYS: None.
ABSENT: Tyler, Duchen.

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

EXECUTIVE SESSION. President McDonald requested that the board enter into executive session to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where disclosure would likely prejudice or disadvantage the position of the state pursuant to Chapter 21.5(1)(c) of the Code of Iowa. On a roll vote as to whether to enter into executive session, the following voted:

AYES: Anderson, Greig, Harris, McDonald, Murphy, VanEkeren, VanGilst.
NAYS: None.
ABSENT: Tyler, Duchen.

The board, having voted by at least two-thirds majority, resolved to meet in executive session beginning at 4:20 p.m. on October 17, 1985, and arose therefrom at 5:10 p.m. on the same date.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Thursday October 17, 1985.

ANNUAL REPORT OF RESIGNATIONS. The Board Office recommended the board receive the annual report for the period July 1, 1984, through June 30, 1985.

Iowa State University reported a decrease of 20 percent in the number of faculty resignations, in 1984-85 from 1983-84. The number of resignations is well below the average of 44 for the last nine years. The university noted that comparison of reasons for resignations over the past three years showed an increase of 34 percent for those leaving to work for other universities and a decrease of 14 percent for those leaving for personal reasons. The general pattern of resignations over the last nine years remained essentially the same, with most of the resignations related to the acceptance of a position with another university.

	ACCEPTED POSITION WITH ANOTHER UNIVERSITY		RETURNED TO SCHOOL TO CONTINUE EDUCATION		ACCEPTED JOB IN GOVERNMENT/ PRIVATE SECTOR		OTHER		TOTAL
	#	%	#	%	#	%	#	%	#
Total 1976-77	20	44%	0	0%	20	44%	5	11%	45
Total 1977-78	29	48%	2	3%	19	32%	10	17%	60
Total 1978-79	26	52%	3	6%	6	12%	15	30%	50
Total 1979-80	14	42%	1	3%	10	30%	8	24%	33
Total 1980-81	18	44%	4	10%	13	32%	6	15%	41
Total 1981-82	27	46%	0	0%	23	39%	9	15%	59
Total 1982-83	16	57%	1	4%	8	29%	3	11%	28
Total 1983-84	19	43%	1	2%	13	30%	11	25%	44
Total 1984-85	<u>26</u>	<u>74%</u>	<u>0</u>	<u>0%</u>	<u>2</u>	<u>6%</u>	<u>7</u>	<u>20%</u>	<u>35</u>
9 YR AVERAGE	22	49%	1	3%	13	29%	8	19%	44

The proportion of resignations of associate and full professors represent 49 percent of the total resignations. Seventeen percent were from females, a lower proportion than the last three years.

A higher percentage of professors (34 percent) resigned in 1984-85 than in any previously reported year. Over nine years, an average of nine professors resigned each year which represented an average of 20 percent of all resigna-

tions. The report noted that the loss faculty of the upper ranks was continuing. Resignations of associate professors showed a sharp drop from 14 in 1983-84 to a record low of 5 in 1984-85. Resignations of assistant professors showed a slight decline.

ACTION: President McDonald stated that the board received the resignation report by general consent.

APPOINTMENTS. The following appointments were recommended for approval:

E. Robert Baumann as acting director of the Iowa State Water Resource Research Institute, effective July 1, 1985, through December 31, 1985. Salary as budgeted.

Dr. Robert W. Jolly as Assistant Dean of the College of Agriculture and Assistant Director of the Iowa Agriculture and Home Economics Experiment Station and Professor of Economics, Cooperative Extension Service, effective November 1, 1985, at a salary of \$55,000.

Robert Patterson, M.D. as director of the Student Health Center at Iowa State University, effective immediately and through October 31, 1990 at a salary of \$68,544.

MOTION: Dr. Harris moved that the board approve the appointments outlined above. Mr. Greig seconded the motion, and it passed unanimously.

PROGRESS REPORT -- RECREATION/ATHLETIC FACILITY. The Board Office recommended receipt of the report.

The university reported on the progress of planning for a Recreation/Athletic Facility. A building program statement, developed by a campus committee, established the size of the structure at 223,000 gross square feet. The structure would contain a large multi-purpose area which could be used for basketball, volleyball, tennis, and an area covered with artificial turf for field sports including football and various club sports. The facility would also include handball and racquetball courts, a jogging track, and weight training areas. A portion of the structure would be devoted exclusively to the use of the Intercollegiate Athletic Department and would include a wrestling room, weight training area, and locker rooms for various men's and women's sport teams. The facility is estimated to cost \$11,000,000.

The proposed site for the facility is south of the campus, west of the Towers Dormitories in an area where other athletic facilities already exist, including baseball and softball diamonds.

The new facility would be for the recreational and intramural use of students

and would be operated by the university's recreational services department. Because the facility would include areas of shared, as well as exclusive use of intercollegiate athletics, the athletic department would fund \$3.5 million or 32 percent of the cost. The student share of the cost, \$7.5 million, would be funded from a continuation and anticipated increase in the student activity fee.

The university indicated that, if the project is approved and supported by the Government of the Student Body, construction could begin in the summer of 1986 and be occupied in the fall of 1987. A student referendum is scheduled to determine student support for the facility and necessary increased student fee.

The university pointed out that although the construction cost would be financed by special student fees and athletics revenues, the university intended that the operating costs of the facility would be funded as any other structure--part of the university's operating budget. The university's intent is to have the utility and operating expenses of the Recreation/Athletic Facility handled in a manner similar to the University of Iowa's Recreation Building.

Specific recommendations on the size and financing of the facility would be brought to the board after the first of the year.

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

LEASE OF PROPERTY. The Board Office recommended approval of a lease with TELECONNECT for their use of approximately 188 square feet of space in the basement of the Communications Building for a period of six years commencing November 1, 1985, and ending October 31, 1991, at a rent of \$1,504 per year, subject to adjustment beginning November 1, 1987, with the tenant to pay electricity and other utilities provided by the university.

The university reported that the presence of Teleconnect on campus would provide access to a national, completely digital communications system with fiber optic network connection for transmission of high-speed data, voice, and video around the country at the lowest rate Teleconnect offers to its customers.

The university reported that, if competitors of Teleconnect requested similar space on campus, the university would consider the requests and determine if space was available and if there was a benefit to the university in making such space available. The university reported that Teleconnect could accomplish this service from a location off campus but that it was easier to accomplish from on campus. The lease provided that, if roof or tower transmission equipment was required, installation of such equipment would be the subject of further negotiations between the parties. The lease also

provided that the tenant and landlord ". . . will work together to determine any serious radiation of radio frequencies or other electrically or mechanically-induced signals that cause degradation of the audio or video quality of WOI AM/FM-TV. Corrections of such malfunctions will be timely and at the expense of the party causing the problem or interference."

The Board Office summary noted that the University of Iowa had submitted a similar lease for space on campus by Teleconnect at the September meeting of the Board of Regents. It was noted that the Regent universities should contract for any communication services on the basis of the quality and cost of such service rather than whether a firm had rented space on the campus and that such contracts and relationships for communications services would be brought to the board for review and approval before entering into them.

MOTION:

Mr. Greig moved that the board approve the lease with Teleconnect for their use of approximately 188 square feet of space in the basement of the Communications Building for a period of six years commencing November 1, 1985, and ending October 31, 1991, at a rent of \$1,504 per year, subject to adjustment beginning November 1, 1987, with the tenant to pay electricity and other utilities provided by the university. Mrs. Murphy seconded the motion, and upon the roll being called the following voted:
AYES: Anderson, Greig, Harris, McDonald, Murphy, VanEkeren, VanGilst.
NAYS: None.
ABSENT: Duchen, Tyler.

CENTRAL IOWA COMPUTERIZED TICKETING SYSTEM. The Board Office made the following recommendations:

1. Authorize the university to enter into an agreement with the Des Moines Civic Center and the Veteran's Memorial Auditorium for the cooperative acquisition and operation of a central Iowa computerized ticketing system. This recommendation is subject to an Attorney General's review of the agreement.
2. Authorize the university to acquire a computerized ticketing system from Softix, Inc., of Campbell, California.
3. Approve the financial lease for the computerized ticketing system through an option provision in the master lease with Dougherty-Dawkins Lease Group.
4. Authorize the executive secretary to approve the actual interest rate of

the financial lease with Dougherty-Dawkins.

5. Request the university to continue to inform and consult with the Board Office during implementation of the computerized ticketing system and selection of sites for electronic sales outlets.

The Board Office summary noted that the board in July had authorized the university to enter into a master lease finance agreement with Dougherty-Dawkins Lease Group of Minneapolis, Minnesota. The initial amount of the financial lease was used to replace the main frame computer in the Computation Center for \$2.2 million. The lease agreement contained provisions for financing additional equipment up to a total of \$4.5 million with approval by the board for specific projects. It was under these provisions of the agreement that the university requested the board's approval to finance the purchase of the computerized ticketing system.

The computerized ticket sale system is designed as a cooperative project among the ISU Center, the Des Moines Civic Center, and Veteran's Memorial Auditorium in Des Moines. The system provides for computerized management of direct ticket sales at retail outlets in addition to the three auditorium facilities. The cost of the new computerized system would be recovered through a surcharge on each ticket sold through the system. For the first year, the surcharge would be 25 cents per ticket for mail orders at the facilities' box offices, 75 cents on sales through retail outlets, and \$1 on phone orders.

The entire computerized ticket sale system was estimated to cost \$350,000 which included computer equipment, software, phone installation, and site preparation in Ames. The university indicated that the main computer processing units, the system office, and a central phone room for receiving phone orders would be located at the ISU Center.

According to the Dougherty-Dawkins Lease Agreement, the interest rate for each lease purchase agreement would be based upon the current Bond Buyer's Index of 11-year general obligation bonds which currently is the 9 percent range. The university indicated that, if satisfactory financing could be obtained, the computerized ticketing system could become operational by January 1986.

MOTION:

Mr. VanGilst moved that the board approve the recommended actions as outlined. Dr. Harris seconded the motion, and it passed unanimously.

ECONOMIC DEVELOPMENT -- ESTABLISH ISU INCUBATOR PROGRAM. The Board Office recommended that (1) the university be authorized to establish an ISU Incubator Program; and (2) approval of the university's plan to use the Laboratory of Mechanics Building as the location of the ISU Incubator Program for two years.

The university proposed to initiate an incubator program as part of its effort to support economic development in the state. The proposal is similar to the program at the University of Iowa's Oakdale Campus, which is the Technology Innovation Center.

The incubator program would be housed initially in the Laboratory of Mechanics Building on the university campus. In September 1985 the board approved the Laboratory of Mechanics renovation project as part of the capital register. This was to be renovated for use by units reporting to the Vice President for Student Affairs. The university would delay implementation of the student services renovation and make the facility available for the incubator program for approximately two years when the program would be able to move to a permanent location.

MOTION: Mrs. Murphy moved that the board approve the actions as recommended. Mr. Greig seconded the motion, and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period September 20 through October 17, 1985.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS

Hamilton Hall--Partial Remodeling

Income from Treasurer's Temporary Investments	\$326,000	
Iowa State Daily	<u>47,500</u>	
TOTAL		\$373,500

The remodeling had changed in scope since May 1985 to provide for additional air conditioning associated with student activity and computer equipment. Significant modification to heating, ventilating, and air conditioning systems are anticipated. The State Fire Marshal's Office had also been involved with some changes made to meet fire safety code requirements. The Iowa State Daily is currently housed in Hamilton Hall and, as a separate corporate entity, is contributing \$47,500 toward the remodeling.

Iowa State Center--Scoreboard and Marquee

Income from Advertising Sponsors	\$350,000	-	\$525,000
Field House--Aud. Revenue Bond Construction Fund and Surplus Fund, and 1983 Class Gift		<u>350,000</u>	- <u>175,000</u>
TOTAL		<u>\$700,000</u>	<u>\$700,000</u>

This is an amended project budget. Of the \$700,000 total budget, as much as

\$525,000 may be available from advertising sponsors and \$175,000 from Field House--Auditorium Revenue Bond Construction Funds and Surplus Funds and a 1983 Class Gift. It is also possible that as much as \$350,000 may be needed from the latter sources depending on whether anticipated advertisers' payments are realized.

Beardshear Hall--Renovation for Business Office
Income from Treasurer's Temporary Investments \$270,000

This is a revised project budget, originally approved for \$160,000 on the May register. Subsequent to approval, architectural and engineering evaluation suggested the need for structural and mechanical renovations beyond what was originally anticipated. It appeared economically feasible to make these changes at the same time. Moreover, the work proposed would retain the historical integrity of the Beardshear architectural style.

CONSTRUCTION CONTRACTS

Beardshear Hall--Renovation for Business Office
Proposed award to: Harold Pike Construction, Ames, Iowa
Base Bid of: \$194,500
(5 bids received)

This contract was referred to the board for action.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

The university reported acceptance of a Telecommunications Project--Equipment Rooms on September 9. The university, after inspection, found the work satisfactory and recommended acceptance as complete.

As a part of the Regent-approved capital construction guidelines, a report on project status was presented. The Iowa State University report identified 22 projects over \$250,000 in progress.

The entire capital register is on file in the Board Office.

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

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Thursday, October 17, 1985.

ANNUAL REPORT OF RESIGNATIONS. The Board Office recommended acceptance of the report for the period July 1, 1984, through June 30, 1985.

The university reported the same number of resignations in fiscal year 1985 as in the previous fiscal year. Historical data concerning resignations is presented in table below.

	ACCEPTED POSITION WITH ANOTHER UNIVERSITY		RETURNED TO SCHOOL TO CONTINUE EDUCATION		ACCEPTED JOB IN GOVERNMENT/ PRIVATE SECTOR		OTHER		TOTAL
	#	%	#	%	#	%	#	%	#
Total 1976-77	10	30%	0	0%	8	24%	15	45%	33
Total 1977-78	4	17%	3	13%	8	35%	8	35%	23
Total 1978-79	14	47%	1	3%	6	20%	9	30%	30
Total 1979-80	14	44%	0	0%	9	28%	9	28%	32
Total 1980-81	14	47%	0	0%	11	37%	5	17%	30
Total 1981-82	20	80%	1	4%	3	12%	1	4%	25
Total 1982-83	6	60%	0	0%	2	20%	2	20%	10
Total 1983-84	12	57%	0	0%	5	24%	4	19%	21
Total 1984-85	<u>14</u>	<u>67%</u>	<u>1</u>	<u>5%</u>	<u>4</u>	<u>19%</u>	<u>2</u>	<u>10%</u>	<u>21</u>
9 YR AVERAGE	12	48%	1	3%	6	25%	6	24%	25

The number of resignations by rank and sex was identical to that reported in 1983-84: 17 men and 4 women.

The largest proportion of resignations continued to be at the assistant professor level. Of the 21 resignations, 2 were at the instructor level, 10 at the assistant level, 5 at the associate level and 4 at the professor level.

ACTION;

President McDonald stated that the board received the report of resignations by general consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for the period of September 4 through

September 30, 1985.

Highlights of the register are as follows:

PROJECT DESCRIPTIONS AND BUDGETS

<u>Redeker Dining Center--Energy Conservation Measures--Phase I and II</u>		
Source of Funds:	Residence System Improvement Funds	\$ 84,567
	Inst. Conservation Prog.--Energy Grant	<u>126,158</u>
	TOTAL	<u>\$210,725</u>

The increased budget on this project expands the scope of work to be accomplished and incorporates additional energy conservation measures.

ACCEPTANCE OF COMPLETED CONSTRUCTION PROJECTS

The university reported partial acceptance of two construction contracts on the final phase of the Communication Arts Center. The electrical and mechanical contracts are recommended for partial acceptance. The university reported the north section of the facility had been completed in accordance with the plans and specifications.

The status report on capital projects for the university indicated 11 capital projects with a combined budget of \$27,550,000 were underway.

The entire capital register is on file in the Board Office.

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

FACULTY COLLECTIVE BARGAINING -- APPROVAL OF CONTRACT WITH JOSEPH E. FLYNN.
The Board Office recommended that the board approve the contract with Joseph E. Flynn for his services as representative of the board in matters between the board and the faculty bargaining unit at the University of Northern Iowa, as requested by the board or its representatives, at a rate of \$77 per hour plus expenses actually and necessarily incurred, until either his obligations under the contract have been satisfactorily fulfilled as determined by UNI and the Iowa State Board of Regents, or September 30, 1986, whichever is earlier.

Director Wright explained the board had contracted with Mr. Flynn since October 1978 to secure his services as a chief negotiator and representative in bargaining and related matters with the faculty at UNI and that Mr. Flynn had not increased his charges from the 1984-85 agreement. This contract does not prevent employees of the board performing services for the board in

collective bargaining.

MOTION:

Mrs. Anderson moved that the board approve the contract with Joseph E. Flynn for his services as representative of the board in matters between the board and the faculty bargaining unit at the University of Northern Iowa at a rate of \$77 per hour plus expenses actually and necessarily incurred, until either his obligations under the contract have been satisfactorily fulfilled as determined by UNI and the Iowa State Board of Regents, or September 30, 1986, whichever is earlier. Miss VanEkeren seconded the motion, and it passed unanimously.

STUDENT COMPUTING FEE. The Board Office recommended approval of the university's request to establish a \$20 per semester student computing fee, effective in the fall of 1986.

The university indicated that the fee would generate around \$400,000 per year and that the proceeds would be used to improve and expand student access to computing facilities and services. The university indicated that the fee would be applicable to all students, and it was the assumption of the Board Office that part-time students would not be required to pay the full fee. The fee differed from those approved previously for the University of Iowa and Iowa State University in that it would be required of all students. The university noted that its approach was based on the fact that computer utilization was expanding in nearly all fields and that expansion of the computer laboratories would benefit the entire student body.

President Curris stated that the proposal responded in the best way they could to the growing need on the campus. He noted that the student senate voted overwhelmingly to oppose the establishment of this fee.

Mike Haeger, President of the UNI Student Body, asked that the board consider postponing decision on the establishment of the fee until an overall policy concerning establishment of fees had been formulated. Secondly, he noted that the student body would like to see a definite plan of action for spending of the fee.

Regent Anderson stated she felt the request by Mr. Haeger was justified. However, she believed the need for the fee was there; and she would support it but felt there needed to be a policy for fees and that the board should look at the overall the payment of fees.

MOTION:

Mrs. Anderson moved that the board approve

the establishment of a \$20 per semester student computing fee and that the board look at the whole question of fees with the purpose of establishing a policy. Mrs. Murphy seconded the motion.

Regent VanEkeren stated that she strongly opposed the establishment of the fee and felt that the board should have a policy concerning fees.

President McDonald stated that he would support the fee.

Regent Greig stated that he felt there were inequities in how the fees were assessed at the universities and postponing the decision might stop problems at UNI that have occurred at Iowa State.

Regent Harris asked if deferring the decision on the fee would be detrimental to the university.

President Curris indicated that the fee was brought to the board at this time so that it could be considered in the framework of tuition so that the total impact of the students' ability to pay could be addressed. He went on to say that the Computer Services Committee on the campus had come up with a broad request for equipment that was beyond the ability of the university to fund. He stated the university had no objection to the delaying action but would hope that the delay would not be too long so that he could back get to the committee to come up with specific recommendations for use of the funds.

Regent Harris asked what percentage of students would be using the computer services.

President Curris stated that they have had requests from two colleges for computer fees and the College of Business was totally immersed in it. The use of computers is extending into all areas and every student on the campus would be involved in and have access to computers.

Regent VanEkeren stated that in the four years she had been a student at Iowa State, she had had one opportunity to use a computer. She noted they had a lot of problems with students going four years and not having the opportunity to use the computer.

Regent Harris stated that he felt the students at UNI should have computers available to them but was opposed to the fee.

VOTE ON MOTION: Motion was not approved with Regents McDonald, Murphy, and Anderson voting in favor.

President McDonald stated it seemed to be a consensus that this matter

should be studied and reported back to the board.

MOTION: Miss VanEkeren moved that the Board Office come back with a proposal about how the fee would be implemented. Mr. Greig seconded the motion, and it passed unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Thursday, October 17, 1985.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register for September 1985.

The Board Office summary noted that the register contained no transactions but in accordance the Regents Procedural Guide provided the status of two active projects.

The status of the active projects are as follows:

Campus Electrical Service Modification -- Total project cost \$102,277 with completion expected within two weeks.

Package Boiler Installation and Sewer Pipe Repair -- Total project cost \$81,290 with expected completion within three weeks.

ACTION: President McDonald stated the board approved the Register of Capital Improvement Business Transactions by general consent.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving Schools was transacted on Thursday, October 17, 1985.

ANNUAL REPORT OF RESIGNATIONS. The Board Office recommended the board receive the report of faculty resignations for 1984-85.

The Iowa Braille and Sight Saving School reported three resignations for the 1984-85 academic year. This number represented one less than the previous year. Two of the resignations were for persons accepting other positions and one person left for personal reasons.

ACTION: President McDonald stated that the board received the resignation report by general consent.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register.

The Board Office summary noted that the register contained two actions on a single project.

Eaves Repair--Phase II: This project was approved by the board in February 1985 to repair eaves, gutters and downspouts on four campus buildings. The institution reported that the construction contract had been completed and the work was found to be in compliance with the plans and specifications. The institution recommended acceptance of the work as complete. The institution also requested acceptance of the final report on this project which indicated the project was completed within the approved budget and the source of funds were 1985 Building Repair funds.

The Board Office noted that the institution had no other active capital projects; and, therefore, no capital project status had been prepared.

MOTION: Miss VanEkeren moved that the board approve the Register of Capital Improvement Business Transactions as submitted. Mr. Greig seconded the motion, and it passed unanimously.

President McDonald then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to the

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Iowa Braille and Sight Saving School. There were none.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 4:10 p.m. on Thursday, October 17, 1985.


R. Wayne Richey
Executive Secretary