

The State Board of Regents met at the State University of Iowa on Wednesday, October 21, 1981. Those present were:

October 21, 1981

Members of State Board of Regents:

Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	All Sessions
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions
Mr. Nolting	All Sessions
Mr. Wenstrand	All Sessions

Office of State Board of Regents:

Executive Secretary Richey	All Sessions
Director Barak	All Sessions
Director McMurray	All Sessions
Director Sonnenschein	All Sessions
Director VoIm	All Sessions
Ms. Baker, Secretary	All Sessions
Assoc. Director Caldwell	All Sessions
Director Wright	All Sessions

State University of Iowa

Acting President Spriestersbach	All Sessions
Vice President Bezanson	All Sessions
Acting Vice President Moll	All Sessions
Assistant Vice President Small	All Sessions
Assistant to President Mears	All Sessions
Director Hawkins	All Sessions

Iowa State University

President Parks	All Sessions
Vice President Christensen	All Sessions
Vice President Hamilton	All Sessions
Vice President Moore	All Sessions
Assistant Vice President Madden	All Sessions
Assistant to President Crawford	All Sessions

University of Northern Iowa

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

Iowa School for the Deaf:

Superintendent Giangreco	Exc. 1:30 p.m.
Business Manager Kuehnhold	Exc. 1:30 p.m.

Iowa Braille and Sight Saving School

Superintendent DeMott	Exc. 1:25 p.m.
Business Manager Berry	Exc. 1:25 p.m.

GENERAL

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

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

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Reports on Three Proposed Programs. It was recommended that the board:

1. Approve the change in title of the B.A. degree in Letters to the B.A. degree in Comparative Literature at the University of Iowa;
2. Approve the merger of two divisions in the College of Education at the University of Iowa; and
3. Approve the establishment of an Institute of Accounting Research in the College of Business Administration at the University of Iowa.

In September the board referred all three of the above proposals to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The committee recommended approval of all three requests.

The curriculum in Letters was developed to provide an internationally-oriented undergraduate degree program. In addition, the proposed change will more adequately designate the nature of the major.

It was noted that the change in name will not result in any changes in curriculum, course offerings, or other resource needs.

The proposed change in the administrative structure in the College of Education will not, according to the university, have any effect on the educational programs offered. The merged division will be responsible for currently existing programs. The recommendation for change was based on the fact that the programs of the two divisions are closely interrelated. This may result in greater coordination of course offerings, curriculum revision and development, staffing, and student advising. The university believed that the merger would result in reduction of administrative costs.

The proposed Institute of Accounting Research was requested in order to stimulate increased research activity in the area of accounting and

to increase the level of research funding from external grants and contracts by providing a focus for faculty research efforts. Foundation funds are already available to provide initial support for the operation of the Institute and it is hoped that the Institute will become self-supporting by attracting additional external funding. There will be a review of the Institute during the third year by the Dean of the College of Business Administration and the accounting faculty.

The Board Office noted that in the Interinstitutional Committee's report that the Institute "might also provide the opportunity for faculty from the other two universities to participate in particular projects on a collaborative basis." The Board Office said the university should be complimented for its effort to involve its sister institutions.

The Board Office recommended that all three of the above requests be approved.

MOTION: Dr. Harris moved that the board approve the change in title of the B.A. degree in Letters to the B.A. degree in Comparative Literature at the University of Iowa; approve the merger of two divisions in the College of Education at the University of Iowa; and approve the establishment of an Institute of Accounting Research in the College of Business Administration at the University of Iowa. Mr. Neu seconded the motion and it passed unanimously.

b. Annual Report of the Registrars' Committee on Coordination. It was recommended that the board receive the report of the Registrars' Committee on Coordination; and request clarification regarding item 12 as noted below.

The 1980-81 Annual Report of the Registrars' Committee on Coordination consisted of a brief discussion of the following topics:

1. The Subcommittee on Persistence Study
2. Regents Student Exchange Program
3. Associate in Arts Agreement with the Area Community Colleges
4. Participation in College Fairs
5. Survey of Health School Courses Completed
6. Participation in the Regent Committee on Educational Relations/
Department of Public Instruction Annual Visits to the Area Community
Collges
7. Transcripts for Iranian Students
8. Quad-Cities Graduate Study Center
9. Advertising
10. New Residence Regulations and Admission Regulations
11. Commencement and Photography
12. Transferred CLEP Credit from Private Colleges
13. Eleven Miscellaneous Items

The Board Office noted that one item in the report was the persistence study, which was undertaken to provide information on the enrollment, persistence, and performance of students who enter the three Regent universities either as freshmen directly from high school or as transfer students during a given year studied. A recent report noted that during the 1960s and early 1970s, colleges and universities had only a limited concern with the persistence of students. As higher education enters the 1980s, this situation has changed. The growth in enrollment has stopped or is slowing in many instances, and the 18- to 24-year old student cohort is predicted to decrease by 25 percent by the mid-1990s. Institutions now have or will have a need to ensure a steady student enrollment. The report noted that there have been changes in the attitude towards achieving the goal of equal educational opportunity. Access to higher education is no longer sufficient; colleges and universities are increasingly giving special attention to the educationally, financially, and physically disadvantaged in an effort to make their chances for academic success more equal to those who are more fortunate.

The Board Office believed that the persistence reports have been valuable in both the board's understanding and the institutions' efforts to improve the advising and counseling provided to students. The goal of such efforts is not to keep students in the universities who do not want or cannot benefit from the educational programs but to provide to those who want to and can benefit from a full opportunity to achieve that goal.

The next persistence report should be made to the board sometime next summer or fall. The committee noted it had been planning a more elaborate cooperative study with the area community colleges; however, since the report was written, it was learned that the committee has not been able to secure the necessary funds to carry out this study. Given the importance of understanding persistence, both for the benefit of the students and the institutions, the institutions may want to locate the relatively modest amount of funding necessary to carry out this additional aspect of the study, said the Board Office.

The Board Office noted that the Associate of Arts agreement with the area community colleges mentioned in item number 3 of the report was approved by the Regents earlier this year and is in the process of being implemented at this time. The "agreement" noted in item 12 regarding the transferring of CLEP credit from the private colleges, however, has not been approved by the Regents. In addition, the Regents Procedural Guide (Section 6.10, Credit by Examination) requires that the board be informed of any expansion of the Credit by Examination program. The Board Office said that while this agreement may just be a cooperative agreement to accept a certain minimum score, it may in fact constitute an expansion due to one of the universities previously utilizing a lower minimum score for granting credit for CLEP examinations. The Board Office said the board needed additional information concerning this agreement to make an appropriate judgment.

The Board Office said the Registrars' Committee on Coordination should be congratulated for its diligent work in carrying out the responsibilities of the committee.

Vice President Moll began the discussion on the Registrars' report by introducing W. Albert Cox, Registrar at the University of Iowa. Mr. Cox was present at the meeting to answer any questions.

Vice President Moll responded to the Board Office's concern about the transferred CLEP credit from private colleges. He explained that it refers to an agreement with the area community colleges. The agreement was worked out by the Educational Relations Committee and the Inter-institutional Committee on Educational Coordination was aware of it.

Previously, the Regent institutions accepted transfer of credit by examination as shown on a transcript rather than requiring the submission of examination scores. The area colleges applied their own standards as to how credit by examination was administered. In many instances, these standards were lower than those of the Regent institutions.

An agreement was worked out that the Regent institutions would accept transfer of CLEP credit by transcript from the area schools only if the school agreed to use the 50th percentile for award of such credit and if certain other conditions related to credit transfer were met.

Vice President Moll said all but one area school, which does not give credit by examination, agreed to use the 50th percentile for awarding credit by examination. The agreement applies only to area schools. Other schools would continue to submit actual scores with the Regent institutions determining the allowance of credit on the same basis as used for their own students. There was no change in the percentile levels used in awarding credit at the Regent institutions. He indicated that on the general examination the University of Iowa requires a score in the 80th percentile for credit, the University of Northern Iowa requires a score in the 70th percentile, and Iowa State University requires a score in the 60th percentile. All three require a score in the 50th percentile on the subject examination for award of credit by examination.

Regent Harris, noting the comments about the need to ensure a steady student enrollment, asked Mr. Cox for his opinion on what effect this policy on credit by examination will have on enrollment. Mr. Cox said that in his personal view the policy would have some effect but not a great deal. He said this was a difficult question because of such considerations of the state of economy and the amount of student financial aid available. If student financial aid is commensurate, there will be a small effect on enrollment.

Regent Wenstrand noted that the Registrars' report included statements about new residence regulations and asked if these were minor changes. Mr. Cox replied that these changes, which were minor, were approved by the Board of Regents and Legislative Review Committee last year. They are now part of the Administrative Code.

President Brownlee received the report of the Registrars' Committee on Coordination by general consent of the board.

ANNUAL ENROLLMENT REPORT, PART I. It was recommended that the board receive Part I of the Annual Enrollment Report.

The Board Office explained that the universities provide enrollment information to the board of two general types: headcount and full-time equivalent enrollment. The headcount enrollment is the count usually reported to the public and media. The full-time equivalent enrollment is generally used for various calculations and cost estimates.

Total fall headcount enrollment increased at the University of Iowa and decreased at both Iowa State University and the University of Northern Iowa.

Over the period 1972-1981, the University of Iowa's enrollment has increased every year except in 1976 and 1972. Iowa State's enrollment has increased every year except 1972 and fall 1981. The University of Northern Iowa's enrollment has fluctuated more than the other two, with decreases in 1972, 1974, 1979, and 1981.

The total Regents' FTE has increased from 54,349 in fall 1980 to 55,350 in fall 1981.

Nationally, said the Board Office, fall 1981 was projected to be the first year of enrollment decreases for many colleges and universities, and early national estimates appear to substantiate this prediction. In Iowa, the number of public high school graduates (as reported by the Department of Public Instruction Guidance Services Section) declined from 43,718 in 1979 to 43,425 in 1980 and an estimated 43,000 in 1981. Declining enrollments from 1980 to 1981 had been predicted by the University of Iowa and the University of Northern Iowa while a slight increase had been anticipated by Iowa State University.

The total enrollment increase at the University of Iowa was attributed to several factors. New freshmen enrollments were up by approximately 500 students although undergraduate transfers were down slightly. The number of continuing students is up by approximately 1,100, suggesting improved retention. The persistence study presently in preparation will provide additional retention information.

At Iowa State University, it was reported that the number of new freshmen direct from high school was down compared to fall 1980 but that the number of undergraduate transfers was up by a significant amount. The number of continuing students decreased slightly although the university also reported that the number of freshman and sophomore returning students increased. A significant drop was noted in the senior class and it was felt to be in part a result of the transition from quarters to semesters. It appeared that a number of seniors accelerated their programs, some through summer enrollment, in order to complete their degrees before the beginning of the semester system. The university indicated that this interpretation of the enrollment data is borne out by higher than normal summer enrollment and summer graduation rates.

The University of Northern Iowa reported that its most significant losses were in new students (new freshmen and graduate students). However, the university also noted that there have been administrative changes which changed the classification of some students from graduate to either undergraduate seniors or special students. Therefore, the apparent drop of 95 in the graduate enrollment may not actually represent the loss of 95 students. The university indicated that the number of continuing students remained approximately the same, and the proportion of full-time students had increased slightly.

The fall enrollment (headcount) for the Iowa School for the Deaf showed a six-student decrease over fall 1980. This decrease is about the size of last year's decrease (i.e., eight students). This fall's decline continues the decline in studentence since 1971, when total enrollment was 407. The decline is partly due to exhaustive efforts to control rubella since the 1963-65 epidemic and partly due to mainstreaming efforts since the implementation of Public Law 94-142. Generally speaking, during this time lower elementary enrollments declined while the enrollments in the upper grades have increased.

Enrollment at the Iowa Braille and Sight Saving School decreased by one from fall 1980. Iowa Braille and Sight Saving School has had generally declining enrollment since 1972-73.

Mr. Richey expressed appreciation to W. Albert Cox for his efforts in this report. He said the Coordinating Council was also appreciative of Mr. Cox's efforts.

Mr. Richey noted that the enrollment in the area community colleges dropped six percent with a 4.2 percent increase in freshman enrollments. Enrollments remained about the same at private colleges with a 3.8 percent decline in new freshmen. He explained that the 4.2 percent increase in freshman enrollment at the community colleges included both college transfer and vocational technical students. Both of these categories went up about the same percentage.

President Brownlee received Part I of the Annual Enrollment Report by general consent of the board.

REPORT OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION.

The Board Office provided highlights of the October meeting of the Iowa Coordinating Council for Post-High School Education which took place October 1, 1981.

The October meeting of the council followed a ceremony in Governor Ray's office commemorating "Mindpower Week."

The Coordinating Council approved a budget for fiscal year 1982 that included an increase in dues to \$200 per vote. Billings will be sent out to the various sectors shortly.

The council received a report of the auditing committee indicating that its books were in order.

The council heard a report from Forrest Van Oss regarding the status of the Lifelong Learning Project. He reported that in spite of congressional action last summer authorizing \$8 million for Title I-B, the House and Senate Appropriations Subcommittees considering this Title have recommended a zero budget. Mr. Van Oss noted that although it is possible for funds to be restored at the committee level or above, it seems extremely unlikely at this time.

Mr. Van Oss said that the Iowa Coordinating Committee on Continuing Education (ICCE) passed the following motion on September 25, 1981:

When funding for the Regional Clusters ends, the Iowa Coordinating Committee for Continuing Education (ICCE) will establish a Regional Cluster Task Force to promote cooperative and coordinated efforts among the Regional Clusters. It will report to ICCE.

The Coordinating Council appointed Karl Langrock, President of Grand View College, as its representative to the Iowa Consortium for Continuing Nursing Education.

The council approved a continuation of its current members to the Lifelong Learning Steering Committee. The members include Vice President Christensen from Iowa State University. It is likely that the Lifelong Learning Steering Committee will cease to exist due to the termination of the federal funds for the programs for which the committee provides oversight.

Robert Barak provided a brief report on the status of "Mindpower Week" which commenced October 3. He indicated that most of the colleges and universities in the state were taking advantage of this national and statewide effort to promote their own institutional development activities.

The council received reports on legislative programs for the next session of the General Assembly. The only sector reporting on its legislative activities was the private college sector. That program includes an innovative "bonding program" similar to one recently adopted in Illinois, a state work-study program, an increase in the Tuition Grant Program to reestablish the 75 percent-of-cost factor, and a tuition voucher system similar to one proposed earlier.

The council adopted a proposal by C. W. Callison to formalize the procedure for the adoption of new programs. This procedure will involve the council taking one of three options regarding the review of new programs: (a) acceptance with no concerns; (b) acceptance with the following expressed concern(s) -- listing and explanation of concerns; or (c) acceptance action deferred pending collection of additional information. It was noted that at the next meeting of the Coordinating Council it will review its procedures regarding the information requested for proposals of new programs and the timing of the council's receipt of proposals.

The council had a short discussion regarding the Ed.D. program offered by Nova University in Des Moines and other areas in Iowa. The council requested that the relationship between the Des Moines Area Community College and the Nova program be clarified and that a report on the Nova program itself be provided to the council at a future meeting.

The Coordinating Council received reports on several new programs.

Regent Anderson was in attendance at the meeting of the Iowa Coordinating Council. She noted that the Regents had discussed the proposal for review of new programs at the September board meeting.

Regent Anderson also said she was especially interested in the Ed.D. program offered by Nova University and its relationship to the Des Moines Area Community College. She said this would be explained at the next council meeting and that she would report back to the Regents.

The report on the October meeting of the Iowa Coordinating Council for Post-High School Education was received by general consent of the board.

REPORT ON MEETING OF IOWA COLLEGE AID COMMISSION. It was recommended that the board receive the report on the meeting of the Iowa College Aid Commission on October 13, 1981.

The Board Office said the major item on the agenda was supplemental budget requests for fiscal year 1982-83. The staff recommended a supplemental appropriation of \$1 million of which \$900,000 would be for the Iowa Tuition Grant Program to students in private colleges and \$100,000 for grants to students in vocational-technical programs in Iowa. The requested increase would be used to provide aid to additional students. It does not assume a change in the maximum grant of \$1,700 (academic year) established by statute for the private college tuition aid program and \$400 (fiscal year) for the Iowa Vocational-Technical Tuition Grant Program. The proposed increase of \$900,000 in appropriations for the private college tuition grant program represents an increase of 6.1 percent over fiscal year 1981. The proposed increase of \$100,000 in the Iowa Vocational-Technical Grant Program represents a 22 percent increase over fiscal year 1981.

After considerable discussion, the commission approved the staff recommendations. The staff recommendations did not include supplemental appropriations for other programs of the commission, except for \$12,830 for increased cost of postage, telephones, and computer programming.

Dr. Karl F. Langrock, President of Grand View College and a member of the College Aid Commission, informed the commission of the legislative program of the Iowa Association of Independent Colleges and universities. The proposals are to support an increase in the maximum grant in the Iowa private college tuition aid program from \$1,700 to \$2,200, support passage of Senate File 2073, which provides for a tuition voucher

program, establish a state loan program for students in independent colleges along the lines recently established in the states of Illinois and New York, establish a state work-study program with an appropriation of \$1,500,000 for fiscal year 1983, and establish a "blue ribbon" commission to study higher education financing in Iowa.

The Board Office noted that the Iowa Coordinating Council for Post-High School Education normally has an item on its agenda in late fall relating to the legislative proposals of all of the segments of postsecondary education in Iowa. It expected this to be discussed by that body in November or December.

The report on the October 13, 1981, meeting of the Iowa College Aid Commission was received by general consent of the board.

ACCREDITATION REPORTS. a. University Hospitals and Clinics - University of Iowa. It was recommended that the board receive the accreditation report of the Joint Commission on Accreditation of Hospitals.

The Board Office reported that for the past several years the Board of Commissioners of the Joint Commission on the Accreditation of Hospitals (JCAH) has awarded University Hospitals one-year accreditation. JCAH policy precludes two-year accreditation status to a hospital with any nonconforming structures and, accordingly, University Hospitals' one year accreditation status was mandated by the nonconforming condition of certain of the hospital facilities. The university has a comprehensive capital replacement plan targeted at replacing these nonconforming units as well as other inferior facilities in the present hospital complex. The University of Iowa Hospitals and Clinics was resurveyed by the Joint Commission on Accreditation of Hospitals on April 20-22, 1981. In July, the Joint Commission awarded the University Hospitals one-year accreditation.

Immediately following the Joint Commission's survey, action was begun by the university to resolve the recommendations noted during the course of the survey process. Of the 36 recommendations contained in the survey, only 14 are considered substantive, and these are all related to capital development or replacement efforts. It should be noted that the university is seeking a Fire Safety Evaluation System Equivalency from the JCAH which will allow the university, when approved, to resolve the Oakdale Hospital and Westlawn recommendations. In addition, an equivalency request is being developed for Psychiatric Hospital which will serve to resolve the recommendations in that facility. Full compliance with many of the recommendations is dependent upon continued implementation and evaluation of the university's capital development/replacement program.

John Colloton, Director of University Hospitals, said that the 14 significant recommendations or citations dealt with physical plant areas and that 7 of them were in the Psychiatric Hospital. Mr. Colloton said it is important to continue the momentum of the capital replacement program in order to correct the deficiencies.

Mr. Colloton said University Hospitals was very pleased with the very minimal number of citations (other than the physical plant deficiencies) contained in the Joint Commission's report.

Regent Jorgensen wondered if Mr. Colloton had noticed any change in the Joint Commission's recommendations regarding physical plant deficiencies given the current economic constraints. Mr. Colloton answered that he did not think there was any minimization of the Commission's requirements in that area. He noted that until about three years ago there was a regulation that a hospital could receive only four 1-year accreditations due to physical plant deficiencies. He said this was the sixth consecutive 1-year accreditation for University Hospitals. Therefore, he believed there was some relief being given in the terms of the length of time that hospitals are being given to bring their physical plants into conformance. He said there has been no change in individual recommendations.

In answer to a question from Regent Neu, Mr. Colloton said very few hospitals are given a clean slate on physical plant citations. It has become a problem of getting the deficiencies down to a point where the hospital can qualify.

The board received the accreditation report of the Joint Commission on Accreditation of Hospitals by general consent.

b. College of Engineering - University of Iowa. It was recommended that the board receive the report of accreditation for the undergraduate programs in Chemical Engineering and Industrial Engineering in the University of Iowa College of Engineering.

The Board Office provided the following background information. In 1979, a team from the Engineer's Council for Professional Development (ECPD) visited the University of Iowa to review its programs in Engineering - Chemical, Civil, Electrical, Industrial, and Mechanical. The team's purpose was to evaluate whether these programs meet overall criteria and requirements of the council in areas such as faculty, students, curriculum, equipment, and administrative support. As a result of this visit, the ECPD decided to reaccredit the programs in Civil, Electrical, and Mechanical Engineering to September 30, 1985, and the programs in Chemical and Industrial Engineering to September 30, 1982. It was indicated that a report to be sent to the Engineers' Council by March 1, 1981, may serve as the basis for the extension of accreditation to September 30, 1985, for the Chemical and Industrial Engineering programs.

The Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology took action on June 28-30, 1981, on reports submitted during the 1980-81 academic year for consideration of extension of accreditation. As a result of this action, the commission voted to extend accreditation for the undergraduate programs in Chemical and Industrial Engineering to September 30, 1985.

The Board Office said the College of Engineering and the university should be commended for having achieved this accreditation.

The board received the report of accreditation for the undergraduate programs in Chemical Engineering and Industrial Engineering in the University of Iowa College of Engineering by general consent.

EVALUATION OF IOWA BRAILLE AND SIGHT SAVING SCHOOL BY THE DEPARTMENT OF PUBLIC INSTRUCTION. It was recommended that the board receive the report of the evaluation of the Iowa Braille and Sight Saving School by the Department of Public Instruction.

In September a Department of Public Instruction (DPI) team visited the Iowa Braille and Sight Saving School and the report of that evaluation has been received. Since the receipt of this report, Superintendent DeMott has received a Letter of Compliance from the State Department of Public Instruction for the 1981-82 school year, which provides for approval status of the school to provide programs and services in Iowa according to the established regulations. The Compliance Report stated that the school "indeed satisfactorily met all of the areas of compliance." It stated that the evaluation team "clearly recognizes the fine programs and services offered at the school and the willingness of the staff to work towards the goals in these students' best interests."

The report covered interagency agreements, certifications, policies and procedures, support services, and Individual Education Programs.

Mr. Barak noted that in past years there has been a long delay between the time the DPI made its evaluation and the time it issued a Letter of Compliance. He said it was significant that this year the Letter of Compliance was issued three days after receipt of the report of the evaluation. He said receiving the Letter of Compliance during the year to which it relates is very helpful.

The board received the report of the evaluation of the Iowa Braille and Sight Saving School by the Department of Public Instruction by general consent.

TUITION POLICIES AND RATES, 1982-83. Several recommendations were made to the board. These were:

GENERAL
October 21, 1981

1. Approve the tuition rates per academic year as proposed below, effective with the beginning of the 1982 summer term.

	1981-82		1982-83	
	Resident	Nonresident	Resident	Nonresident
UNIVERSITY OF IOWA				
Undergraduate	\$ 950	\$2350	\$1040	\$2580
Graduate	1080	2486	1200	2800
Medical	2670	4800	3200	6400
Dental	2000	4300	2300	5000
Law	1080	2486	1300	3200
IOWA STATE UNIVERSITY				
Undergraduate	\$ 950	\$2350	\$1040	\$2580
Graduate	1080	2486	1200	2800
Veterinary Medicine	2000	4100	2300	4800
UNIVERSITY OF NORTHERN IOWA				
Undergraduate	\$ 900	\$1860	\$ 990	\$1040
Graduate	950	2086	1070	2330

2. That all of the proceeds of the above rate increases be allocated to the general educational funds of the universities.
3. That \$980,000 of the funds received from the rate increase be allocated to the student aid budgets of the universities for 1982-83.
4. That \$210,000 of the proceeds from the increase in medical school tuitions be set aside for essential needs in that college.

The Board Office noted that these recommendations were unchanged from those submitted to the board in September.

Last month the Board Office presented a report containing tuition recommendations for the 1982-83 academic year. The Board Office reviewed tuitions and proposed that resident undergraduate tuition rates be raised approximately 9.5 percent. Nonresident tuitions would be raised by 9.8 percent. All of the factors contained in the board's "guidelines" were taken into consideration in the Board Office's deliberations concerning possible revisions to the present tuition rates. When the recommended tuition rates differed from the policy guidelines, the Board Office weighed carefully the compelling factors.

The rate increases proposed take into consideration the following factors.

1. Financial needs of the universities for educational programs
2. Expected rate of growth in personal income
3. Expected rates of growth in educational costs and general cost of living
4. Tuition rates in comparable institutions in eleven-state Midwest area
5. National tuition levels and rates of growth

Tuition rates at Regent institutions are well below the median of comparable institutions in the eleven-state area in almost every instance. The only exception is tuitions for veterinary medicine.

Tuitions for resident undergraduates at Regent institutions are above the average of all public colleges and institutions nationally. The national average is \$819 while the Regent average is \$933. For comparable institutions, however, Regent institutions would be much closer to the national average. A separate analysis of almost 60 comparable institutions nationally showed average tuitions of \$900 compared to the Regents \$933.

The rate of increase in undergraduate tuitions of 15 percent for Regent institutions this year was slightly below the national average of 16 percent.

Tuitions range from \$2,900 to \$5,950 in Iowa's independent four-year colleges this year. The increase this year was 14.5 percent.

The Board Office presented a history of tuition rates in Regent institutions since 1931-32 which is shown on the next page.

The Board Office said the share of general university budgets financed by tuition income was higher than now from the mid-1960s through the mid-1970s. For the past five years the percentage share borne by tuitions has been similar to those of the late 1950s through the mid-60s.

Tuition income as a percentage of total general university budgets has been relatively constant since 1978. The estimated share of the total general university budgets in the current year ranges from 19.7 percent at the University of Northern Iowa to 24.0 percent at Iowa State University. All the general university budgets contain expenditures for research and public services as well as for instruction. If estimated unit costs for undergraduate students are used, the resident student share is 24 percent to 26 percent. Nonresident undergraduate students pay 55 to 70 percent at the University of Iowa and Iowa State University and a lesser percentage at the University of Northern Iowa. Again, those estimated unit costs contain research expenditures.

The proposed tuition rates for 1982-83 would maintain the same approximate share borne by students during the past five years.

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October 21, 1981

	Iowa Universities 1981-82	11-State Median 1981-82	Recommended 1982-83	Percent Increase	Estimated 1982-83 Median (Assumes 9% inc.)
Undergraduate Resident					
SUI and ISU	\$ 950	\$ 985	\$1040	9.5	\$1073
UNI	900	993	990	10.0	1082
Undergraduate Nonresident					
SUI and ISU	2350	2646	2580	9.8	2884
UNI	1860	2635	2040	9.6	2672
Graduate Resident					
SUI and ISU	1080	1101*	1200	11.0	1200*
UNI	950	1042	1070	12.6	1136
Graduate Nonresident					
SUI and ISU	2486	2871	2800	12.6	3130
UNI	2066	2227	2330	11.7	2427
Medical, SUI					
Resident	2670	2928	3200	19.9	3191
Nonresident	4800	6000	6400	33.3	6640
Dental, SUI					
Resident	2000	2049**	2300	15.0	2233
Nonresident	4300	4506**	5000	16.3	4911
Veterinary Medicine, ISU					
Resident	2000	1990	2300	15.0	2160
Nonresident	4100	4100	4800	17.1	4469
Law, SUI					
Resident	1060	1217	1300	20.3	1327
Nonresident	2486	3016	3200	28.7	3387

* ISU at median now

** Seven states only

Board Office -- 9/10/81

The Board Office noted that changes in federal financial assistance are expected for 1982-83 although the exact nature of these reductions is not clear. Changing eligibility requirements for the Guaranteed Student Loan Program may limit the availability of government-backed loans. Interest rates and fees are also expected to increase. Changes in the Pell Basic Grant programs are also likely, and changes are possible in interest subsidies and in the National Defense Student Loan (NDSL) program.

The Board of Regents has customarily increased allocations for student aid to offset the effect of increases in tuition. It was proposed that this policy be continued for 1982-83, and that \$980,000 be set aside from the proceeds of the tuition rate increases in 1982-83 to increase student assistance. This additional allocation would represent an increase of 11.2 percent overall.

The University of Iowa was asked to compare the characteristics of the classes of first-year medical students in 1977, 1978, 1979, and 1981 on the basis of eight factors. The purpose of this study was to determine whether the extraordinary tuition increases in 1981-82 had a noticeable effect on the characteristics of the entering class.

On the basis of the data presented, the Board Office said that tuition increases in 1981-82 have not resulted in a significant change in the characteristics of the first-year medical students. The Board Office recommended continued analysis of such data to study any trends which may develop.

With respect to the relation between tuition and enrollment it was concluded that since many factors affect decisions regarding college attendance other than tuition increases, it is almost impossible to isolate the effect a tuition increase has on attendance, assuming that the increase is a moderate one.

A question was raised by Regent Anderson regarding the availability of financial aid to medical students. The College of Medicine responded in some detail. The conclusion is summarized as follows:

This collection of funding sources has been adequate to assure that medical students could meet their educational expenses in the past. To our knowledge, we have not lost any students because we could not help them arrange adequate financial assistance...

Most students have their financial aid arranged for the 1981-82 academic year. The question then relates to the time after May of 1982.

The unknown part of the picture is the Guaranteed Student Loan. Regulations have not been finalized for this program. Estimations are that for this year, at least, independent students will be recognized as eligible without regard to parents' income. If so, many of our students will qualify and the restriction in access to loan money will be minimized. If at a later time regulations do not recognize independent student status, greater difficulties would result.

The administration of the College of Medicine expressed no objection to the proposed increases in medical tuitions in 1982-83 because of its urgent need for greater financial stability.

Both Iowa State University and the University of Northern Iowa expressed the view that the amount of increase should be lower than proposed by the Board Office. The University of Iowa states that the magnitude of the proposed increase would cause substantial difficulty for many students and urged an increase in student financial aid budgets.

The Board Office concluded that although the institutional administrations and student representatives raised valid concerns about the effect of the proposed tuition increases, the Board Office renewed its recommendations because of the severe need for the estimated \$6.6 million net yield in income beyond the set aside for student assistance. The universities currently have no funds available in FY 1983 to offset price inflation for fuel, supplies and services, libraries, equipment, or building repairs. Although the 4.6 percent reduction in appropriations is restored, it will do little to solve the major problems of instructional staffing needs so eloquently presented at the September board meeting.

The general condition of the state treasury is not expected to be such as to arouse great expectations for substantial additional appropriations in FY 1983. Therefore, the proceeds from increased tuition rates become much more critical in helping to maintain the necessary quality and quantity of educational services to students in FY 1983.

Tuition rates in Regent institutions rose quite modestly in the 1970s compared to almost any criteria - growth in general cost of living, growth in cost of education, growth in personal income, growth in student aid, experiences in other states, etc.

The proposed increases in medical tuitions would yield \$210,000, which is proposed to be set aside for improving the financial condition of the College of Medicine. This amount will be used in conjunction with requested appropriations to maintain that college. The \$210,000, although small relative to the total need of that college, is quite important in demonstrating the board's and the institution's commitments to solution of its most pressing problem.

There is no question but that there is great uncertainty as to the level of available federal student aid in 1982-83. It should be recalled, however, that federal student aid grew tremendously in the 1970s while Regent tuition rates were growing at a very low rate. Therefore, there should be some room to finance additional tuitions next year, particularly since personal income is also expected to grow. Disposable income should increase because of the reduction in federal taxes. Present rates of accessibility will probably be maintained.

The Board Office said that the problems suggested last month in differentiating law school tuitions from graduate student tuitions do not appear to be significant in view of the need for funds, rates in comparable institutions, and tuition differentials in other professional schools.

President Brownlee asked President Kamerick to begin the discussion on the tuition proposal. President Kamerick introduced Russell Martin, President of the University of Northern Iowa Student Association (UNISA).

Mr. Martin said he hoped there would be some discussion at this meeting of Regent policy in regard to annual or biennial review of tuition. He expressed a concern about access to the Regent institutions and that a tuition increase would decrease accessibility. Mr. Martin asked the Regents to express their feelings on how the universities could cope with the coming cuts in federal funding of education.

In answer to a question from President Brownlee, Mr. Martin said he had no specific comments about the proposal but was looking forward to the discussion.

President Kamerick said that the University of Northern Iowa recognized the extremely difficult position the Regents were in and that it did not want to make this position more difficult. He pointed out that next fall would be a very difficult time because of changes in student financial aid and the impact of a number of other forces.

President Parks introduced T. J. Hentjes, Vice President of the Government of the Student Body (GSB) and Tom Jackson, President of GSB.

President Parks said Iowa State University realized there was great pressure for the tuition increase but at the same time hoped that the increase would be a minimal as possible.

Ms. Hentjes said that last year the students felt the tuition increase was dealt with in good faith on a biennial basis. She said it was a breach of faith to consider raising tuition this year. Ms. Hentjes said that students have not yet felt the impact of decreases in financial aid and that they would feel the brunt of "Reaganomics" next year. She said it was particularly important to take into consideration the effect a tuition increase could have when combined with other factors involved.

President Priestersbach introduced Tom Dixon, President of Student Senate. Mr. Dixon introduced A. J. Allen of the American Medical Students Association.

Mr. Allen distributed a table on loan programs for FY 81-82. He called attention to the fact that the HEAL loan program was being increased by about \$52 million but that other loan programs were being reduced by \$56.6 million. He said there are proposals before Congress that would substantially reduce financial aid support for medical students

Mr. Allen said that the appropriation limit for the HEAL loan program is based upon the willingness of private lenders to lend under this program. The interest rate on this program is a 91 day Treasury bill plus 3 1/2. This is currently about 19%. Financial aid is not guaranteed under this program since it is up to the discretion of individual lending institutions to make loans to students.

Regent Anderson asked if HEAL loans were presently available to students on the University of Iowa campus. Mr. Allen replied that no one on the campus has borrowed through this program. He noted that most students do not know about this program.

Regent Anderson asked if there was a new regulation regarding these loans that eliminates the accumulation of interest while a student is in school. Mr. Allen said that there is no interest during the period a student is in school but that interest can accumulate during the medical student's residency after graduation.

Regent Anderson asked if anyone knew whether the private sector in Iowa was responding to the changing emphasis of the Reagan administration. Vice President Bezanson responded that the HEAL loan is not as relatively attractive as other programs and has not been relied upon in the past. He noted that it would be a burden to the College of Medicine in assisting students to obtain this kind of loan but that the effort would be made if students needed these loans.

Vice President Bezanson said there is no known lender in the private sector in Iowa at this time. He pointed out that this did not mean there would be no bankers willing to do so. He believed that if the emphasis on loan programs does change, the banks and financial institutions would respond.

Mr. Dixon said that the students had discussed proposing a compromise to the board but that in assessing their need they felt any middle ground had already been covered. He said the students believe there is no such thing as a reasonable increase.

Mr. Dixon also noted the reduction in federal student aid. He said the Regents had an opportunity to help students and that an increase in tuition would only increase the students' burden.

President Spriestersbach said the University of Iowa appreciated the magnitude of the burden of the board in weighing the financial needs of the universities against the issue of accessibility. He said he hoped the issue of student financial aid would be left somewhat open to see how the impact of the federal funding cuts develops. He said the impact of these changes should be assessed on the kinds and quality of students in the Regent institutions. He said the university was unsure about the impact but was worried about it and that there is a need to watch carefully for necessary mid-course adjustment.

President Brownlee said the board shared the concerns about the uncertainties about student aid and that the board would do all it could to provide the flexibility to meet the needs as best as possible.

Regent Anderson noted that students from families with incomes over \$30,000 will now have to show need to obtain a Guaranteed Student Loan (GSL). She said the effect of this could only be known when the need criteria are known. She asked if there was a firm indication of what those criteria would be.

Vice President Bezanson replied that it is unclear what the need criteria will be. He pointed out that another variable would be how the criteria are applied to specific cases. Vice President said that the University of Iowa administration believed that within existing resources and the recommended increase in student financial aid, it would have the flexibility to deal with this.

Vice President Bezanson introduced John Moore, Director of Student Financial Aid at the University of Iowa. Mr. Moore said that his office was sent a tentative schedule of need assessment for family income over \$30,000. However, there were errors in the table and they were told not to use it. The table is currently being reworked.

Mr. Moore noted that most students enrolled in the current school year have already applied for and received their loan funds. Students enrolling in second semester and next year will have a problem. He said that the Reagan administration has pointed out that the \$30,000 income cap will not come close to saving the amount of money they want to save because there are not many families at that income level who have children in college. He said he expected the administration to make even further slashes in the loan regulations.

President Kamerick noted that there were some other proposals concerning federal student aid under consideration. There has been discussion about removing the school interest subsidy which would make a difference in how loans are treated. There has also been discussion about whether to keep the Guaranteed Student Loan program.

Regent Anderson asked if it was fair to deduce that an individual could not assume that he or she would not be able to get a loan just because of the \$30,000 cap. Vice President Bezanson said this was correct. He noted that there is presently a \$30,000 cap on family income and that it is unknown how this will change.

Regent Anderson then asked the university administration how close it felt the proposed increase in student aid of \$980,000, which would come from the proposed tuition increase, would come to meeting the predicted decreases in federal aid. Vice President Bezanson said the University of Iowa assessed the recommended action in relation to the tuition increase and in relation to some known difficulties which were independent of any action that may take place on the federal level. He noted that the university has concerns in the Colleges of Medicine and Dentistry for which there is no financial aid in the university budget at the present time.

Vice President Bezanson said the university believed the amount recommended for student financial aid would give it the resources and flexibility it needs to deal adequately with financial need created by the tuition increase. He noted that the university will have to direct resources to areas where it has not done so before.

The university did not try to assess the proposed action in terms of possible federal actions because that situation is so fluid. Vice President Bezanson said there was no way the university could take any kind of action and feel confident it could be responsive to what actually does happen. He said the university should continue to monitor this situation so that it can make adjustments if it appears appropriate. He said the university viewed the student aid situation only in the context of the proposed tuition increase.

President Brownlee said it was unfortunate that the apparent cutback in federal aid was coming at the same time the Regents must face the problem of a tuition increase. He said the board understood the comments about the decreases in federal funding but pointed out that the board does not initiate those. He wished the board could do something about these but said that the board's concern must be funds for the classrooms at the three Regent universities.

President Brownlee noted that the student governmental organizations at all three universities had pointed out the desperate needs in the classrooms. This is the issue with which the board must be concerned and includes the funding of operations, paying of salaries, and providing classrooms, materials, and equipment.

Another facet of the tuition increase, said President Brownlee, was that it would send a message to the General Assembly that more appropriated funds are needed for the universities. He said there was no doubt in his personal view that a tuition increase would be viewed by many legislators as a show of faith on the part of the board and the students toward excellence in the universities. He sincerely hoped that the Legislature would appropriate the additional funds which the Regents are asking.

President Brownlee then commented on the question of annual and biennial review of tuition. He said it is easier for the board and for students if this is done on a biennial basis. However, the board has received a message from the state government that it feels in these uncertain times of inflation, unstable economics, and problems with the balance in the treasury, that two years is too long to go without reassessing the tuition rate. He said he could not accept the accusation that an annual review is a breach of faith of any kind. He noted that any comments made by board members in the past about biennial review did not necessarily reflect official board policy or indicate that the board would never increase tuition in the next year.

President Brownlee pointed out that many states facing problems like those facing the universities have had to impose a surcharge on their students. He suggested that this because they did not address the problems in time.

Regent Wenstrand also commented about annual or biennial review. He noted that the board has set policy approximately one year in advance which is a wise policy because students are able to make plans. However, by doing so the board has actually been working within a three-year horizon. There has been one year of lead time and two years of implementation. In the current situation, Regent Wenstrand agreed with President Brownlee that this is too long a period. He did not think it was wise to leave tuition decisions to a two-year period which actually becomes a three-year period.

Regent Wenstrand said there was some merit to an annual review of tuition. He said this was a change of policy in one way but it was not a change of policy as far as setting a moderate tuition in comparisons with other universities, and the percentage of costs borne by tuition. He said the Regent universities are in a reasonable position and that they should strive to maintain the moderate policy the board has maintained for many years.

Regent Wenstrand noted that the students were not expecting a tuition increase this year and understood their consternation. However, he agreed with President Brownlee that the board must meet certain responsibilities.

Regent Anderson responded to Mr. Martin's concern about the tuition policy and its effect on accessibility to the universities. She said there was clearly a problem of trying to maintain as open and as accessible universities as possible. She said the proposed tuition increase was not out of line with cost of living increases over the past ten years. She said it would be a breach of faith if the board were irresponsible in regard to the overall needs of the universities now and in the future. She noted that there were no tuition increases during a time when the cost of living was rising. Those on campus now are suffering because of this. Regent Anderson did not believe the proposed increase would substantially change what appears to have been the policy of the Board of Regents - to maintain as open access as possible.

Regent Anderson expressed a concern about the proposed increase in tuition for medical students. She said that an increase of 119% in the past two years seemed to be out of line with the cost of living increase. She noted that it was not out of line with the needs of the College of Medicine. Regent Anderson said she had carefully reviewed financial aid available to medical students and that it appeared the Reagan administration was taking a strong attitude toward decreases in the area of medical education and health services. Regent Anderson said she was ready to propose a change in the proposed tuition increase for medical students from \$3,200 to \$3,000 for resident medical students.

Regent Nolting said that as a former legislator he believed the biennial review of tuition was a set board policy. He said he was very uncomfortable with changing the tuition rates at this time. He said he would be more comfortable if annual review was mandated. He said this was a "no win" situation because he realized that not raising tuition would restrict accessibility to the universities because it would mean closing some courses.

Regent Harris said he initially had the same concerns expressed by Regent Nolting but that President Brownlee had responded to them. He agreed with Regent Anderson that the professional school fees should be less than proposed.

Regent McDonald indicated that he wanted to associate himself with the remarks made by President Brownlee and Regent Wenstrand. He noted that the board had to address itself and respond to economic conditions which were years in the making. He said that the proposal for rate increases was arrived at after a full and thorough search. Things that were considered included the financial needs of the university, the expected rate of growth in personal incomes, expected growth in educational costs, growth in the cost of living, tuition comparisons in an 11-state area, and comparisons of tuition on a national level. He said the board had been very careful in trying to arrive at a rate that was reasonable and that would maintain the quality of the institutions' accessibility.

He noted that any tuition increase would do some harm but he believed that the board has a responsibility to see that the institutions are on a sound financial basis.

Regent McDonald said he respected the views of Regents Anderson and Harris, but he thought the proposed tuition increase for the medical school was a reasonable adjustment. He said to reduce this might be a cut where the increase is most needed. Overall, Regent McDonald said he supported the tuition increase proposal as presented by the Board Office.

Regent Wenstrand said he also respected Regent Anderson's opinion of the student aid situation. He indicated that the board should be kept constantly apprised of any changes which occur, particularly at the federal level. He hoped that as the situation becomes clearer, the board could provide the flexibility to make any adjustments that would be necessary.

Regent Neu said he understood the potential changes in the federal aid program and the problems the universities are facing with funding. He said he would certainly vote against a significant tuition increase if he thought it was out of line with comparable institutions. Regent Neu said that according to all the information he had seen, the proposed increase was not out of line.

Regent Neu said that the Legislature thinks tuition should be reviewed annually. He said he preferred the biennial process but that the board was in effect told by the Appropriations Subcommittee that it should review tuition annually. He noted that during the last legislative session the Senate presented an amendment to the appropriations bill that would raise tuition by statute. He objected to the Legislature getting involved in that level of internal operations of the universities and said if the board does not take any action, the Legislature will. There will be a strong drive to adjust tuition by statute. He noted that this was done in the past.

Regent Neu said he was particularly concerned about the proposed increase in medical tuition. However, he said it was his understanding that an increasingly large portion of the medical school budget comes from fees earned. He pointed out that physicians will have to spend more and more time treating patients leaving less time for teaching and research. He found this very disturbing. He said the university could not have a first-rate medical school if the faculty spends a disproportionate amount of time treating patients instead of teaching young people to be physicians. He was personally convinced this is a real danger. He noted that there did not appear to be any more funding from the state or federal government and that the board had only one alternative which was tuition. Regent Neu said the medical students must appreciate that if the quality of instruction goes down considerably, they will not get an education. They must balance this just as the board must balance it.

Regent Neu said he concluded that the College of Medicine is in a crisis situation and that of all the areas of the three universities it may have the most critical need. He felt strongly that the board should approve the tuition proposal because the money is needed and said he would support the action recommended by the Board Office.

Regent Jorgensen said that as a parent with a couple of students in college she understood the kinds of problems the uncertainty of federal funding create in planning a family budget. She said parents and students would need to reassess their commitment to higher education.

Regent Jorgensen noted that students are faced with overcrowded classes and some of them are not able to get into classes. This means it may take five years instead of four years to complete their programs. She said the tuition increase would provide a better quality education and better access to classes. She recognized the problems this would create for students but said the universities need the increased funds.

Regent Murphy indicated that she had recently attended a meeting of the Association of Governing Boards. One of the messages from that meeting was that if governing boards don't take the lead on tuition, the legislatures will take over this role. In the long run the board is better off taking the lead in this area.

President Brownlee then asked the students if they would care to make additional comments.

Mr. Jackson said he was not personally opposed to annual review of tuition as long as it is just that. He noted that there have been no studies comparing annual review to biennial review with respect to their impact. However, he said that to now consider annual planning ignored last year's biennial increase to an extent. He said this would not be an annual increase but an increase for 1 1/2 years imposed at the beginning of the year.

With respect to the comparisons of tuitions with other universities, Mr. Jackson said perhaps the board should look into the circumstances leading to the tuition rates set by other states.

Finally, Mr. Jackson said that the students want to do their part and they want the Regent institutions to survive. They don't want to fight for funds from the Legislature and then be asked by the board to do their part one more time. There appears to be a diffusion of responsibility.

Tom Olson, a dental student at the University of Iowa, said the College of Dentistry is in a bind as are the other professional schools. Dental students have a 9:00 a.m. to 5:00 p.m. daily curriculum. If tuition goes up considerably along with the cost of living and instrument rental, dental students must spend more of their time outside of the curriculum to earn the difference. They will have less time to spend on their dental studies. He said if the proposed tuition increase could be adjusted to a smaller scale since tuition is being increased on an annual basis, it would be easier for dental students to budget for small increments.

Mr. Dixon referred to a request for action made by the University of Iowa Student Association (UISA). The students' proposal was as follows:

1. The UISA is opposed to any tuition increase for 1982-83. The UISA requests that the State Board of Regents authorize the institutions to prepare the budget for the Regents' institutions based on current tuition figures.
2. The UISA maintains that current levels of financial aid allocation by the Board are insufficient. The UISA requests that the State Board of Regents allocate monies above the current level to the financial aid office.
3. The UISA maintains that the federal cutbacks in Pell Grant program are detrimental to the academic mission of the University of Iowa. The UISA requests that the State Board of Regents authorize an allocation of monies for financial aid to redress the shortfall of the individual \$80 Pell Grant reductions. These monies will be directed to reinstate the individual losses of funds to those students receiving Pell Grants in the current biennium.
4. The UISA emphatically endorses the concept of biennial planning for tuition consideration. The UISA request that the State Board of Regents adhere to the philosophy of biennial consideration, by (1) not increasing tuition within the biennium, and (2) by not adopting surcharges to tuition.

In regard to the board sending a message to the state Legislature, Mr. Dixon said that part of this message should be that the Regents felt that the cutback in the PELL grants was too much and that the board is making an attempt to redress that cut. In this way it would be possible to alleviate some of the harm done by a tuition increase by adding to financial aid in areas that are crucial.

Tom Evans, a medical student at the University of Iowa, said that the proposal by Regent Anderson to reduce the tuition increase in the College of Medicine from \$3,200 to \$3,000 would have a significant effect on medical students. He said that the amount generated by the extra \$200 per resident student would not come close to addressing the needs in the College of Medicine. Mr. Evans said medical students would take advantage of Regent Anderson's proposal and encouraged the Regents to seriously consider it.

Another point Mr. Evans made was that an increase of 119.4 percent was a lot of money in two years. He noted that there was a feeling that increases would be made on an annual basis at least until the financial situation becomes more stable. He said Regent Anderson's recommendation would spread the increase over the next few years.

MOTION:

Mr. McDonald moved that the board approve the tuition rates per academic year as proposed by the Board Office, effective with the beginning of the 1982 summer term, that all of the proceeds of the above rate increases be allocated to the general educational funds of the universities, that \$980,000 of the funds received from the rate increase be allocated to the student aid budgets of the universities for 1982-83, and that \$210,000 of the proceeds from the increase in medical school tuitions be set aside for essential needs in that college. Regent Wenstrand seconded the motion.

MOTION:

Mrs. Anderson moved that the above motion be amended to modify the resident medical school tuition from \$3,200 to \$3,000. Dr. Harris seconded the motion.

Regent Anderson indicated that she recognized this would take away \$114,000 from the \$4 million that is needed by the College of Medicine. She said her motion was not an indication that she did not think the college has needs. She said she looked at this from the standpoint that a 119% increase in two years does affect the accessibility balance which is important in a public university.

President Brownlee said he agreed with the sentiments expressed by Regent Anderson and the medical students and that he was torn up over the proposal. However, he said since he was assured by the administration that they felt there are adequate funds that can be made available so that current medical students would be able to attend school, he would reluctantly vote against the motion for amendment.

VOTE ON MOTION TO AMEND: AYES: Anderson, Harris, Nolting
NAYS: Jorgensen, McDonald, Murphy, Neu,
Wenstrand, Brownlee

VOTE ON ORIGINAL MOTION: The motion passed with Mr. Nolting opposed.

CAPITAL REQUEST FOR 1982 SESSION. The recommendations made to the board were:to:

1. Confirm the board's intended usage of \$28 million 1982-83 academic building revenue bond authority, as recommended in Capital Decision Package I;
2. Request additional bonding authority for 1982-83 of \$32,735,000 to fund four projects already authorized in Senate Concurrent Resolution 35 and as shown in priority order in Capital Decision Package II; and
3. Request appropriations of \$765,000 to fund six projects listed in priority order and shown in Capital Decision Package III.

The Board Office noted that in September the board gave tentative approval to the above recommendations. There were no changes in the recommendations at this meeting.

The Board Office reviewed the material presented at the September board meeting (see pp. 137-143). In addition to that material, the Board Office said there were a number of other capital concerns which will be addressed in the months ahead. One of these is the continued high interest rates and the condition of the bond market. Another issue which may need to be addressed at the outset of the legislative session is planned improvements to the sewage plant in Ames. The Board Office did not expect the State Department of Environmental Quality to put requirements on the City of Ames for improvements to its plant until early next year. Any such improvements have cost-sharing implications for Iowa State University both from its general fund and from residence hall funds.

The Board Office said the capital decision packages deferred from further consideration at this time \$12.8 million in projects originally requested of the 1981 Session. In addition to the projects shown for deferral in Capital Decision Packages II and III, a continuation of the Energy Management Program request for the three universities and University Hospitals was also deferred. Most of the university deferred projects

are included in the Ten-Year Building Program which will be brought to the board at its November meeting and do become high priority needs for the 1983-85 biennium.

Mr. Richey opened the discussion on the capital request by noting that there was an apparent misunderstanding by some legislators that the bonding funds in the second year of the biennium should be used exclusively for new construction. He pointed out that in Capital Decision Package I there is \$28 million in bonding to fund projects in fire safety deficiencies and equipment for Mechanical Engineering at Iowa State University. He said the board would have the greatest difficulty explaining the fire safety deficiency projects at the University of Iowa and Iowa State University and that the basic misunderstanding was troublesome. Mr. Richey said the language of the resolution does not indicate the bonding should be for new construction although it is being interpreted that way. This was not the board's understanding during the last session.

President Brownlee asked if the board approved the recommended action if it would indicate to the legislative committee the board's intent and position. Mr. Richey said it would. He noted that the board would have to present its plans for the second year of the biennium to the committee for review before they could sell any of the \$28 million in bonds. This would not require any formal action by the Legislature as long as the board has complied with the Legislature's requirement for review.

MOTION:

Dr. Harris moved that the board confirm the board's intended use of \$28 million 1982-83 academic building revenue bond authority as recommended in Capital Decision Package I; request additional bonding authority for 1982-83 of \$32,735,000 to fund four projects already authorized in Senate Concurrent Resolution 35, and as shown in priority order in Capital Decision Package II; and request appropriations of \$765,000 to fund six projects listed in priority order and shown in Capital Decision Package III. Mrs. Anderson seconded the motion.

The capital decision packages are shown on the following pages.

Capital Decision Package I

RECOMMENDED USAGE OF \$28 MILLION
1982-83 ACADEMIC REVENUE BOND AUTHORITY

(000's omitted)

<u>Current Board Priority</u>	<u>Project</u>	<u>Project Amount</u>	<u>Cumulative Total</u>
1	SUI -- Fire Safety Deficiencies	\$ 250	\$ 250
1	ISU -- Fire Safety Deficiencies	815	1,065
2	SUI -- Communication Facility--Construction	6,675*	7,740
2	SUI -- University Theatre Addition--Construction	5,985*	13,725
3	ISU -- Mechanical Engineering, Engineering Science and Mechanics--Construction	13,600	27,325
3	ISU -- Mechanical Engineering Building Utilities and Equipment--Phase I	500	27,825
-	Bond Issuance Costs	<u>175</u>	<u>28,000</u>
	TOTAL AUTHORIZED IN S.C.R. 35	<u>\$28,000</u>	

* Project costs already adjusted, where applicable, to account for delay in financing from board's original 1981-83 request.

1982 Bond Issues
(Tentative)

University of Iowa	\$12,990,000
Iowa State University	<u>15,010,000</u>
TOTAL	<u>\$28,000,000</u>

Capital Decision Package II

ADDITIONAL ACADEMIC REVENUE BOND ELIGIBLE PROJECTS
BEYOND LEVEL AUTHORIZED FOR 1982-83

(000's omitted)

Shown in recommended priority order

<u>University</u>	<u>Project</u>	<u>Project Amount</u>	<u>Cumulative Total</u>
ISU	Mechanical Engineering Building Equipment--Final Phase	\$ 2,000 ¹	\$ 2,000
UNI	Communication Arts Center Construction--Final Phase	7,100	9,100
ISU	Planning for Veterinary Clinic Conversion for use by Industrial Education	200	9,300
SUI	Law Building--Construction (plus bond issuance costs of \$175 =	23,260 ² Request of 32,735)	32,560 ³
<u>Deferred from further consideration at this time:</u>			
SUI	Electric Distribution System Improvements--Oakdale Campus	2,995 ⁴	2,995
UNI	Wright Hall and Sabin Hall--Academic Space--Remodel Wright Hall \$1,030 Sabin Hall 165	1,195 ²	4,190
SUI	Chemistry/Botany Remodeling	3,695 ²	7,885
SUI	Power Plant Renovations Recover and Insulate Breeching on Boilers 5 and 6 \$ 80 ² Renovation of East Smokestack 155 ²	235 ²	8,120
ISU	Primary Electric System Revisions and Improvements	<u>1,190²</u>	<u>9,310</u>

¹ Equipment portion of request adjusted to 15% from 10% of building costs.

² Project costs adjusted by 9% to reflect 1982 dollars.

³ Projects to this point already authorized but not funded in S.C.R. 35.

⁴ Project cost adjusted to reflect updated estimate.

Capital Decision Package III

PROJECTS NOT ELIGIBLE FOR BOND FUNDING
AND WHICH REQUIRE APPROPRIATIONS

(000's omitted)

Shown in recommended priority order

<u>Institution</u>	<u>Project</u>	<u>Amount</u>	<u>Cumulative Total</u>
IBSSS	Raze Old Power Plant Stack and Ash House	\$ 80 ¹	\$ 80
ISD	Energy Conservation Projects	125 ²	205
IBSSS	Energy Conservation Projects	75 ²	280
ISD	Swimming Pool Improvements	100 ¹	380
SUI	Statewide Health Services--University Hygienic Laboratory--New Addition-- Oakdale Campus--Planning only	220	600
IBSSS	Utility System Improvements	165 ¹	765
<hr/>			
<u>Deferred from further consideration at this time:</u>			
ISD	Recreational Building Construction	<u>1,215¹</u>	

¹ Project costs adjusted by 9% to reflect 1982 dollars.

² Subject to delineation upon completion of energy audits and federal grant application (for ISD).

Regent Wenstrand asked for an update on the status of the energy management program. Mr. McMurray replied that the projects funded in the first year of bonding amount to \$3.8 million. This was a restoration of funds which were originally appropriated in the 1979 Session and deauthorized in 1980. This amount will allow the institutions to begin a substantial program of retrofitting buildings on each of the campuses. The University of Northern Iowa will be able to install a central computer to control building energy usage.

This amount will not allow the program to be expanded to Iowa School for the Deaf, Iowa Braille and Sight Saving School, or University Hospitals.

Mr. McMurray noted that the energy management program is about nine months to a year behind the original schedule, due to legislative action from one session to the next. However, the program is moving along. By the time the 1983-85 biennium capital request is made, the board will have hard evidence of savings because of the projects undertaken. This will make it easier to proceed because it will no longer be in the abstract as it is now.

In regard to the request for additional bonding authority for 1982-83 of \$32,735,000 to fund four projects already authorized, Regent Jorgensen asked if this would result in the board asking for the total amount it originally requested. President Brownlee said the board would be asking for additional bonding authority but it would not include everything on the board's original list. Mr. McMurray noted that on Decision Package II five projects were being left out and on Decision Package III a project at the Iowa School for the Deaf was being deferred. He noted that these were indicated on the capital decision packages by a line drawn above them. In addition, approximately \$2 million of the second phase of the energy management program, which was originally requested in 1981-82, was being deferred.

VOTE ON MOTION: The motion passed unanimously.

SUPPLEMENTAL BUDGET REQUEST FOR BOARD OFFICE FOR FISCAL YEAR 1983.

It was recommended that the board request a supplemental appropriation of \$3,400 for fiscal year 1983 for extraordinary increases in telephone rates.

The Board Office said its budget for fiscal year 1983 had been reviewed and appeared to be adequate if additional funds could be provided to pay the costs involved in extraordinary increases in telephone rates. According to the Communications Division of the Iowa Department of General

Services, Northwestern Bell Telephone Company has put a rate increase of 24.8 percent into effect on January 1, 1981, and plans further increases of 10.4 percent on December 1, 1981, and 17.8 percent on July 1, 1982. Not all of the proposed rate increases have been approved by the Iowa Commerce Commission, but there is a potential increase of as much as 62.3 percent from January 1, 1981, through July 1, 1982. In addition, the services for WATS are expected to increase by 23 percent. Interstate long distance rates have increased by more than 16 percent in recent weeks.

The budget of the Board Office for the current biennium as approved by the General Assembly provided no funds for price growth. The Board Office indicated the budget for fiscal year 1983 could be managed through reallocations and a continuation of personnel vacancies, if an additional supplemental appropriation of \$3,400 is provided to offset increased telephone costs. This request assumes that about one-half of the proposed rate increases would actually be effectuated during the period.

Mr. Richey noted that the board could absorb some of this cost by moving funds around and that part of this may be lessened by any action the Commerce Commission takes on some of the proposed telephone rate increases.

MOTION: Mr. Wenstrand moved that the board request a supplemental appropriation of \$3,400 for fiscal year 1983 for extraordinary increases in telephone rates. Mr. Nolting seconded the motion and it passed unanimously.

INSTITUTIONAL ROADS PROGRAM FOR 1982-1986. The recommendations made to the board were:

1. Approve the 1982 Program which has two new projects totaling \$660,000 for construction and \$258,000 for other costs;
2. Approve the Five-Year Institutional Roads Program for 1982-86 totaling \$5,073,000; and
3. Accept the list of identified unmet institutional road needs at the institutions, as well as the summary of 20-year needs, and direct that these reports be forwarded to the Iowa Department of Transportation of its information.

The Board Office provided a brief history of the State Parks and Institutional Road Fund. As part of a bill enacted in 1978 the Legislature directed the Iowa Department of Transportation (IDOT) to conduct quadrennially a State Parks and Institutional Road Needs Study to evaluate the construction and maintenance needs and projected needs based upon estimated growth for each type of facility and to provide a quadrennially updated standard upon which to allocate funds appropriated for the purposes of the act.

The most recent needs study conducted in 1980 by the IDOT showed 20-year needs of the agencies involved and the percent allocation as follows:

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

The Department of Transportation updated its estimates of institutional road yield for each of the next five years and that increase includes the effect of the recently enacted fuel tax increases as approved in the special session of the 1981 Legislature. Over the next five years, the State Parks and Institutional Road Fund is estimated to grow from \$2,549,000 in fiscal year 1982 to a total of \$3,014,000 in fiscal year 1986. Since this is not a year for a needs study, percentage distribution stays the same as shown above for the agencies involved.

The growth in the road use tax fund, although not as great as anticipated due to a variety of factors including reduced federal funding, state energy consideration, and continuation of the subsidy on gasohol until 1984, reflects some increase in funding Board of Regents five-year road needs. The current five-year program, 1981-85, programmed \$4,580,000 in a five-year period. The proposed new program, 1982-86, totals \$5,073,000. This increase means that the board can keep up with projected inflation for one year. The 20-year estimate, however, shows \$19,194,530 in needs which would require an average annual allocation of \$959,727 plus an inflation factor. This means that the estimated 20-year needs cannot be funded within that period, pending further increases in the road use tax fund yield. The Board Office indicated appreciation of the continued recognition by the Iowa Department of Transportation of the board's needs and problems.

The board was successful this year in getting a funding program for Hawkins Drive, in part, outside of the institutional roads program. The major problem in the future, besides recognition of inflation, will be in funding large projects similar to Hawkins Drive out of the institutional roads program. An example is the Bissell Road Extension project at Iowa State University, part of its new perimeter road network, which has an estimated cost in 1982 dollars of \$2.7 million. This project is substantially beyond the ability of the institutional road program to undertake on any sort of timely or orderly basis and such projects will require funding from some source other than the institutional roads program in the future.

The Board of Regents institutions maintain almost 55 miles in institutional roads of which about 61 percent is under the jurisdiction of Iowa State University. In the current construction year, that system was expanded by 4/10ths of a mile. Over the next five years, it will be expanded by approximately two additional miles.

An Ad Hoc Interinstitutional Institutional Roads Committee annually makes recommendations to the board on a Five-Year Institutional Roads Program. The committee is composed of Mr. Finnegan, University of Iowa; Mr. DeKovic, Iowa State University; Mr. Walter, University of Northern Iowa; and Mr. McMurray, Board Office. The proposed program has the unanimous concurrence of the committee. It was also reviewed on a preliminary basis by the IDOT staff. The five-year program concept is dictated by the IDOT in that all primary road programs are five years in length.

In addition to construction projects, the 1982-86 Construction Program also estimates routine maintenance costs at the institutions for roads. All universities and Iowa School for the Deaf have road maintenance costs on a pass-through basis under maintenance agreements with IDOT. There are also routine maintenance agreements based upon mileage in effect for certain roads maintained by the City of Ames, Story County, and by Iowa Braille and Sight Saving School. The annual amount programmed for maintenance is \$125,000 which is based upon the most recent two years of experience with cost averaging of \$126,000 in 1980 and an estimated \$108,000 in 1981. The maintenance amount can vary rather dramatically from year to year dependent upon the amount of snow removal costs incurred.

The other factor is estimated engineering and administrative costs. For the purpose of this program it is based upon 20 percent of the estimated total construction program annually.

During 1982 it was proposed to undertake two projects. The first priority is construction of Hawkins Drive. This project is estimated to cost \$1.5 million funded from \$400,000 in institutional roads construction dollars, \$100,000 in engineering and administrative costs on the institutional road program, a \$600,00 interest free loan by IDOT to be paid back \$60,000 per year beginning in calendar year 1983, a \$250,000 grant from the road use tax fund, and \$150,000 from the primary road fund. A design agreement between the board and IDOT is on the University of Iowa's capital register this month.

The second project during 1982 would be the West Emergency Drive/South Pavilion Hospitals Roadway at the University of Iowa. This road project needs to coincide with the occupancy of the South Pavilion, Phase A project. A design agreement is also on this month's university capital register.

The 1983 Program would have six projects in addition to the initiation of the loan payment process on Hawkins Drive. Those projects include the following at the University of Iowa: the West Campus Electrical Substation Access Road Surfacing, a project where the roadbed itself was put down out of capital construction dollars and the institutional road fund is paying only for the hard surfacing of that road; relief to a signalization problem at the intersection of Mormon Trek and Hawkeye Drive at the University of Iowa; and construction of the entrance drive to the Hospital School at the University of Iowa, a problem which needs to be resolved at approximately the same time as the west campus roadway network undergoes significant change with the construction of Hawkins Drive. The fourth project would initiate reconstruction of the institutional roads network at Iowa School for the Deaf, a project which was in the Facilities Master Plan for the school. The fifth project would light a street at the University of Northern Iowa which was constructed several years ago but funds were insufficient for lighting. The sixth project would initiate a \$1,290,000 project at Iowa State University to extend Elwood Drive and relocate Sixth Street. This project is funded over three years and contributes in a major way to construction of a perimeter road network on the campus with the intent to remove through traffic on the central campus.

The 1984 Program would construct Phase II of the Elwood Drive/Sixth Street project at Iowa State University, build new access roads for the University Theatre and the new Communications Building dependent upon construction of those two new buildings and occupancy in 1984; and do some road reconstruction of central campus roads at the University of Northern Iowa.

The 1985 Program would complete the Elwood Drive project; build an access road for the new Law Building, dependent upon occupancy that year, undertake Phase II of the Iowa School for the Deaf institutional roads network reconstruction project; resurface some selected streets at the University of Northern Iowa; and provide hard surfacing for the entrance to the swine farm at Iowa State University.

The 1986 Program has six projects, five of which are new to the five-year construction program of the board. Those projects would include an access road between VMRI and Veterinary Medicine Complex at Iowa State University; access drives to sports and recreation areas at the University of Northern Iowa and Iowa State University, reconstruction of entrance drives at Hancher Auditorium at the University of Iowa, reconstruction of the access drive for Biology Research Center at the University of Northern Iowa, and some needed improvement to farm roads under the jurisdiction of the board in Polk and Story Counties.

Twenty-one projects will be undertaken over the next five years at 1982 costs of \$3,710,000 for construction. A summary of the projects is shown on the following pages.

Board of Regents

FIVE-YEAR INSTITUTIONAL ROADS PROGRAM
1982-1986

(Based on funds available)

A. 1982

Construction Program

<u>Priority</u>	<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>
1	SUI	Hawkins Drive Construction*	\$ 400,000 ⁽¹⁾
2	SUI	West Emergency Drive--South Pavilion Hospitals Complex-- 0.16 miles	260,000
		Total Construction	<u>\$ 660,000</u>

Rest of 1982 Program

Estimated Maintenance--All Roads	\$ 125,000
Estimated Engineering and Administration	<u>133,000</u>
	<u>\$ 258,000</u>

1982 Summary

Construction--2 projects	\$ 660,000
Other Costs	<u>258,000</u>
TOTAL 1982 PROGRAM	<u>\$ 918,000</u>

(1) Total project cost estimated to be \$1.5 MM with remaining \$1.1 MM coming from funds other than the 1982 construction program.

* Project new to Five-Year Construction Program.

B. 1983

Construction Program

<u>Priority</u>	<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>
---	SUI	Hawkins Drive Loan Payment #1	\$ 60,000 ⁽¹⁾
1	SUI	West Campus Electrical Substation Access Road Surfacing--0.10 miles*	10,000
2	SUI	Morman Trek/Hawkeye Drive Intersection Signalization*	60,000
3	SUI	Reconstruction of Entrance Drive--Hospital School--0.05 miles	150,000
4	ISD	Reconstruction of Institutional Roads Network--Phase I	95,000
5	UNI	Lighting of 22nd Street--Nebraska Street to Hudson Road--0.59 miles*	15,000
6	ISU	Elwood Drive Extension--Sixth Street Relocation--Phase I--0.80 miles	310,000 ⁽²⁾
Total Construction			<u>\$ 700,000</u>

Rest of 1983 Program

Estimated Maintenance--All Roads	\$ 125,000
Estimated Engineering and Administration	<u>140,000</u>
	<u>\$ 265,000</u>

1983 Summary

Construction--6 projects and 1 payment	\$ 700,000
Other Costs	<u>265,000</u>
TOTAL 1983 PROGRAM	<u>\$ 965,000</u>

(1) First of ten payments on an interest-free loan of \$600,000 by IDOT.

(2) Phase I to be initiated in 1983 and continued to completion in 1984 and 1985. Total cost is \$1,290,000 for construction.

* Project new to Five-Year Construction Program.

C. 1984

Construction Program

<u>Priority</u>	<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>
---	SUI	Hawkins Drive Loan Payment #2	\$ 60,000
---	ISU	Elwood Drive Extension--Sixth Street Relocation--Phase II	495,000 ⁽¹⁾
1	SUI	New Access Drive for University Theatre--0.15 miles	60,000
2	SUI	Access Drive for new Communica- tions Building--0.10 miles	50,000
3	UNI	Reconstruct Union Area Access Road and Reconstruct Campus Street (at Commons)--0.17 miles*	100,000
Total Construction			<u>\$ 765,000</u>

Rest of 1984 Program

Estimated Maintenance--All Roads	\$ 125,000
Estimated Engineering and Administration	<u>151,000</u>
	<u>\$ 276,000</u>

1984 Summary

Construction--2 payments and 3 projects	\$ 765,000
Other Costs	<u>276,000</u>
TOTAL 1984 PROGRAM	<u>\$1,041,000</u>

(1) Phase II of a project initiated in 1983 and to be completed in 1985. Exact schedule to be determined.

* Project partially new to Five-Year Construction Program.

D. 1985

Construction Program

<u>Priority</u>	<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>
---	SUI	Hawkins Drive Loan Payment #3	\$ 60,000
---	ISU	Elwood Drive Extension--Sixth Street Relocation--Phase III	485,000
1	SUI	New Law Building Access Road-- 0.15 miles	60,000
2	ISD	Reconstruction of Institutional Roads Network--Phase II	100,000
3	ISU	Mortenson Road--Reconstruct 200' to Swine Farm*	30,000
4	UNI	Resurface Selected Streets--Illinois Street; 30th Street; Indiana Street--0.45 miles	50,000
Total Construction			<u>\$ 785,000</u>

Rest of 1985 Program

Estimated Maintenance--All Roads	\$ 125,000
Estimated Engineering and Administration	<u>154,000</u>
	<u>\$ 279,000</u>

1985 Summary

Construction--2 payments and 4 projects	\$ 785,000
Other Costs	<u>279,000</u>
TOTAL 1985 PROGRAM	<u><u>\$1,064,000</u></u>

* Project new to Five-Year Construction Program.

E. 1986

Construction Program

<u>Priority</u>	<u>Institution</u>	<u>Project</u>	<u>Estimated Cost</u>
---	SUI	Hawkins Drive Loan Payment #4	\$ 60,000
1	ISU	Veterinary Medicine Research Institute Access Road to Veterinary Medicine Complex-- 0.30 miles*	200,000
2	UNI	Access Drive--Physical Education/ Recreation Area--0.09 miles*	80,000
3	SUI	Hancher Auditorium North Entrance Drives Reconstruction--0.26 miles	240,000
4	ISU	Access Drive--South Sports Area-- 0.15 miles*	90,000
5	UNI	Reconstruct Access Drive for Biology Research Center-- 0.08 miles*	50,000
6	ISU	Farm Road Improvements--Polk and Story Counties--4.75 miles*	80,000
Total Construction			<u>\$ 800,000</u>

Rest of 1986 Program

Estimated Maintenance--All Roads	\$ 125,000
Estimated Engineering and Administration	<u>160,000</u>
	<u>\$ 285,000</u>

1986 Summary

Construction--1 payment and 6 projects	\$ 800,000
Other Costs	<u>285,000</u>
TOTAL 1986 PROGRAM	<u>\$1,085,000</u>

* Project new to Five-Year Construction Program.

The Board Office noted that the Regent institutions have traditionally listed other projected institutional road needs which could not be met within the funding constraints of the five-year program. These needs then are accumulated and constitute what has turned out to be a 20-year need package. Identified major unmet needs in construction total \$9,025,000. Approximately 29 percent of the total construction needs of Regent institutions are programmed in the 1982-86 period. The Interinstitutional Institutional Roads Committee annually assesses the priorities of road needs on an interinstitutional basis. A road need at Iowa Braille and Sight Saving School will be met in the 1981 program. Many of the central campus needs at the University of Northern Iowa have either been met during the past five years or are included in the new five-year construction program. Unmet needs of that institution are for the most part road expansion somewhat removed from central campus and need is to a certain extent dependent upon increased construction or usage of the roads in those particular areas.

During the current year, the construction of the following projects is being undertaken:

University of Iowa	- Radioactive Storage Access Road - Oakdale
University of Northern Iowa	- Extension of Campus Street - University Avenue to Jennings Drive
University of Iowa	- Access Drive for Art Building
University of Northern Iowa	- Reconstruct Campus Street and 27th Street (Hudson Road to Campus Street)
Iowa Braille and Sight Saving School	- Service Building Access Road
Iowa State University	- Farm Road Improvements - Delaware County

All but the Iowa Braille project has been bid and contracts awarded. That project is scheduled to be bid in December and funded from 1981 road funds. In addition, the road fund made two payments on projects completed some time ago at the University of Northern Iowa on which funding was spread over several years. Total amount spent for construction this year was estimated to be \$610,302.

Mr. McMurray began discussion by noting that a substantial amount of the road needs cannot be met over the next five years and that about 29 percent of the needs would be met in the five-year program. He said there was some improvement in funding over past years due to the fuel tax increase approved in the 1981 Session. However, the road program is suffering and will continue to suffer from inflation and federal highway funding cuts. He said the state needs to keep up with meeting road needs through use of the gasoline and fuel tax increases.

Mr. McMurray said the Hawkins Drive project is funded in large measure outside the institutional road program and that this was never intended. He noted that there are over \$2 million worth of road needs that cannot be met in a timely or as needed basis based upon present funding.

Mr. McMurray said the institutions were pleased with the support that has been given by the IDOT in the formulation of this program and its understanding of the institutions' needs.

President Brownlee noted that the road program represented the board's share of the fuel and gasoline tax.

President Priestersbach said there was some confusion about the naming of Hawkins Drive and that some documents, including those from the university, referred to it as Max Hawkins Drive. He explained that it was the university's intent to name that road Hawkins Drive in recognition of the family effort and the great support that Delores Hawkins gave Max over the years. President Brownlee said this was a point well taken and that the name of the road is Hawkins Drive in appreciation of the Hawkins' joint effort and for the many years they served the university.

MOTION:

Mr. Nolting moved that the board approve the 1982 Program which has two new projects totaling \$650,000 for construction and \$258,000 for other costs; approve the Five-Year Institutional Roads Programs for 1982-86 totaling \$5,073,000; and accept the list of identified unmet institutional road needs, and direct that these reports be forwarded to the Iowa Department of Transportation for its information. Mrs. Murphy seconded the motion and it passed unanimously.

The list of unmet needs is on file in the Board Office.

SUPPLEMENTAL OPERATING BUDGET REQUEST FOR FISCAL YEAR 1982-83.
The recommendations made to the board were to:

1. Approve a supplemental budget request of \$34,017,000 financed by a supplemental appropriation request of \$23,150,000, new tuition rate revenue of \$6,398,000 and other institutional income of \$4,469,000 for fiscal year 1982-83;
2. Approve a supplemental appropriation request of \$189,000 for fiscal year 1982-83 for the Statewide Family Practice Program;
3. To confirm Regent priorities and transmit them to the Governor as follows: 1) to enhance institutional vitality and quality; 2) to finance price inflation; 3) to stabilize the College of Medicine instructional funding; 4) to restore indigent patient quotas and funding; 5) to increase staff for instructional programs, 6) to establish a biennial salary appropriation for the Statewide Family Practice Program; and 7) to increase tuition and fee income in support of operations; and
4. Authorize the executive secretary to act on block grant appropriations requirements as needed, subject to subsequent Regent action.

The Board Office explained that in September, the Regents gave preliminary approval to a budget of \$31.6 million with proposed financing by \$21.4 million in appropriations, \$5.8 million in tuition and fee income from proposed rate changes, and \$4.5 million from paying patient revenues at the University Hospitals. At that time the Regents expressed their general priorities and directed the board staff to develop a proposed supplemental appropriation request for the October meeting which incorporated preliminary income assumptions including proposed tuition rate changes.

Based on action at the October board meeting, the Board Office staff will transmit to the Governor what has been approved in a format and with selected supporting material as prescribed by the State Comptroller. The Board Office will also prepare a legislative budget request document with the aid of the institutions.

There were no formal executive hearings planned at this time. Informal review with the Governor's and Controller's staffs was anticipated prior to the Governor's recommendations being transmitted to the General Assembly.

The following priorities follow those given preliminary approval at the September board meeting. The Board Office believed it was the intent of the board to place staffing for instructional programs before the establishment of a salary appropriation for the Statewide Family Practice Program.

Priority	Amount (000s Omitted)
1. To enhance institutional vitality and quality	\$16,056
2. To finance price inflation	10,174
3. To stabilize the College of Medicine instructional funding	3,982
4. To restore indigent patient quota funding	1,417
5. To increase staff for instructional programs at Iowa State University and University of Northern Iowa	2,400
6. To establish a biennial salary appropriation for the Statewide Family Practice Program	177
Total	<u>\$34,206</u>

A seventh priority was that of increasing tuition and fee income to support university operations. A revised estimate of net increase amounts to \$6.4 million. This estimated increase would reduce appropriation requirements in a like amount.

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The proposed increase in appropriations from the supplemental asking compared to current appropriations for 1982-83 was 7.4 percent. The total appropriation increase estimated for 1982-83 including the proposed supplemental appropriations amounted to 22 percent. Included was the restoration of the 4.6 percent appropriation reduction experienced in both 1980-81 and 1981-82. At the budget level, the supplemental request compared to current budget amounted to a 6.9 percent increase. The estimated budget for 1982-83 including the supplemental request when compared to the approved 1981-82 budget showed a 17.3 percent increase.

The supplemental budget request would include \$23.2 million in appropriations, \$6.4 million in added tuition and fee revenue from a proposed rate increase, and \$4.5 million in additional paying patient revenue.

A special consideration in the development of the supplemental budget request and its income sources was the two-year reduction of 4.6 percent in appropriations and the restoration of that \$12 million in FY 1982-83. Information on the reduction and planned restoration of the \$12 million was specifically requested by the State Comptroller's Office to assist it in review of the board's request for supplemental appropriations.

As noted in preliminary and final reviews on FY 1981-82 operating budgets, the appropriation reductions in 1980-81 were considered preliminary. Emergency conditions that year on the required reductions resulted in their occurring where possible, rather than where least damaging. In FY 1981-82, continuation of the appropriation reduction resulted in a somewhat modified pattern of cutbacks. The pattern of reductions for 1981-82 and the restoration pattern for 1982-83 are approximately the same.

Following the board's direction to prepare a supplemental budget request based on tuition rate changes proposed in September, the universities prepared estimates of new tuition and fee income based on the proposed rate changes. Additional considerations in estimating net tuition increase were enrollment decline this year and planned enrollment decline next year at Iowa State University and the University of Northern Iowa. Loss of rate change yield from declining enrollments was estimated at \$60,000. With Iowa State University converting from a quarter system to a semester system in 1981-82, a degree of uncertainty was added to tuition rate change yields. The University of Iowa, while forecasting an enrollment decline for FY 1982-83, has experienced an enrollment increase this fall. Continuation of the current year increase in 1982-83 is uncertain and, therefore, was not considered in estimating tuition rate yields for 1982-83 at the University of Iowa.

The yield estimated at each university was comparable to what a weighted average tuition rate change based on enrollment patterns and collection experience should produce according to an independent Board Office estimate.

Updated estimates based on the proposed rate changes are shown below:

Revised Tuition and Fee Income Increase

	<u>University of Iowa</u>	<u>Iowa State University</u>	<u>University of Northern Iowa</u>	<u>Total</u>
1981-82 Tuition & Fee Estimate	\$30,794	\$31,525 ^{1/}	\$9,176	\$71,495
*1982-83 Yield from Rate Change	3,478	3,184	925	7,587
1982-83 Set Asides:				
Student Aid	(493)	(342)	(144)	(979)
Extraord. Tuition-Med. Coll.	(210)			(210)
Net Increase	<u>\$ 2,775</u>	<u>\$ 2,842</u>	<u>\$ 781</u>	<u>\$ 6,398</u>
*Yield as % of 1981-82 Base	<u>(11.3%)</u>	<u>(10.1%)</u>	<u>(10.1%)</u>	<u>(10.6%)</u>

^{1/}The 1982-82 tuition and fee estimate for Iowa State University is imputed. The university has converted from a cash to an accrual accounting system for income, effective 1982-83. A one-time adjustment for summer session income has been made in order to place the university's 1981-82 tuition and fee estimate on a basis comparable with the other universities. Budgeted tuition and fees amount to \$29.6 million for 1981-82 at Iowa State University.

Following procedures established during the 1981-83 biennial budget process, proposed student aid of \$979,000 for the three universities and \$210,000 in extraordinary tuition increase for medical students at the University of Iowa have been set aside. Only the net increase of \$6.4 million in the tuition table above is included in the supplemental budget request. Revised estimates of tuition from the proposed rate changes were \$626,000 higher than those reported in September.

Amounts set aside were considered essential to meeting the special needs of the universities. The student aid supports continuing student access to higher education. The extraordinary tuition contributes to the resolution of the unstable financial condition within the College of Medicine.

The Board Office said that federal policy on block grants and new state law reappropriating federal funds affect selected Regent operations. Currently at issue is support for the Iowa Specialized Child Health Services program administered by the University of Iowa. Other federal funds administered by Regent institutions affected include Title I funds received through the Department of Public Instruction. Block grant funding for the current fiscal year as well as fiscal year 1982-83 is subject to change. Congress has passed a continuing resolution to provide block grant funds to the states for the period October 1 through November 20 of the federal 1982 fiscal year.

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With each state rather than the federal government now required to establish allocations to using agencies, administrative procedures are in the process of being developed. Presently, the University of Iowa is estimating the Specialized Child Health Services Program federal support at approximately \$2 million.

The Board Office summarized Regent priorities and their justification as follows.

The preliminary recommendation for \$14 in appropriations for institutional vitality and quality (priority 1) and \$16.1 million at the budget level was as previously reported. It remained the Regents' top priority. Paying patient revenue at the University Hospitals accounted for the difference between appropriation and budget. Through this increase, the board would seek to reestablish competitive salaries with comparable institutions for the recruitment and retention of first quality faculty, professional and scientific staff. The request would not apply to the organized faculty at the University of Northern Iowa, whose compensation is set by contract.

Funding to offset price inflation was the Regents' second priority. The Governor's budget for the current year included an increase in funding to offset fuel and purchased electricity price inflation. It did not include a further increase for price inflation for 1982-83. Indications were that the state considered its appropriations for fuel and purchased electricity incomplete pending pricing yet to be determined for 1982-83. Regent institutions reviewed their needs for fuel and purchased electricity and the request as previously reported at \$26.5 million remained firm. This would require an increase of approximately \$3 million exclusive of utility costs for opening new buildings and those costs supported by private patient revenues at the University of Iowa Hospitals. Funds were previously appropriated for opening new buildings in 1982-83.

With respect to price inflation on other operating expenses (priority 2), the Board Office noted that to help finance purchasing power lost through price inflation on supplies and services, equipment, library acquisitions, and building repairs, a supplemental budget of \$7 million was requested. The appropriation cost would be approximately \$4.8 million. This request included minor technical adjustments to that originally estimated in September. The amount requested constitutes 9 percent of the current 1981-82 approved budgets.

The request approximated price inflation occurring this fiscal year for which no additional appropriations were received. The request would not begin to address the erosion of purchasing power documented over previous biennia. It represented a holding action only.

Equipment and building repair funding has been requested during recent biennia on a formula basis as outlined in the budget request book for the current biennium. The price inflation support requested does not signal that the Regents no longer support a formula-based approach to funding equipment and building repairs.

The Regents' third priority was the continuing effort to stabilize funding for the University of Iowa College of Medicine. The unstable financial structure has been caused by increasing reliance on non-state funds. In 1979-80, the university began the process of correcting the problem with \$1.3 million of general educational funds allocated on a temporary basis. The need to divert this temporary allocation to meet deferred costs in other areas of the university increased the urgency of the situation. Initially, the need was established at \$4.9 million. Subsequently, extraordinary tuition increase revenues from 1981-82 of \$100,000 and a proposed \$210,000 set aside for 1982-83 reduce the remaining needs to \$4 million.

The Board Office said the objective was to reduce the dependence of the College of Medicine on non-state funds, specifically the College of Medicine Medical Service Plan support. At present, that support underpins 33 percent of the college's funding. If grants, contracts, gifts, and other non-state funds are excluded, the Medical Practice Plan support would increase to 58 percent. The trend has been toward increasing dependence on the Medical Service Plan support, and therein lies the problem.

The university reported that:

Medical Service Plan income can no longer be relied upon to absorb increasingly large proportions of the College's budget, and to press the Plan further would endanger the instructional quality in the College of Medicine, which includes not only the training of M.D.s, but also basic science education for undergraduate and graduate students throughout the university.

The Regents' fourth priority was to restore indigent patient county quotas to 1980-81 levels and appropriations adjusted for price inflation. The need to restore the indigent patient county quotas and supporting appropriations was the top priority among the university's statewide health service units. The amount requested was \$1.4 million.

The current appropriation fell approximately \$2.2 million short of what is needed for the current year assuming 1980-81 indigent patient quotas. For 1982-83, increased need amounts to \$2.4 million when adjusted for growth of expense budgets. With the restoration of the 4.6 percent appropriation reversion from 1980-81 of \$1 million, the additional appropriation need is \$1.4 million for 1982-83.

In September the board approved supplemental appropriation requests to meet staffing needs for instructional programs at Iowa State University and the University of Northern Iowa in the amounts of \$2 million and \$400,000, respectively. This request became priority 5.

At Iowa State University the basis for this need was identified as preexisting enrollment pressures. There were, in total, 66 faculty positions requested. Twenty-five new positions were requested for the College of Engineering. The College of Engineering documented a growing backlog of students seeking to enter courses and being unable to do so. The result is an extension of time required to graduate. There were 13 positions requested for the School of Business Administration. The lack of an adequate number of faculty positions has not only been making it difficult to meet the requirements of Business majors but severely limits the school's ability to accommodate course requirements in some other university programs.

Fourteen positions were asked for in the Department of Mathematics, Statistics, and Computer Science to accommodate an increasing number of majors and supply courses of importance to both the Engineering and Business curricula. The seven positions requested for Chemistry and Physics also were the result of tremendous growth in Engineering students. Finally, seven positions were requested for the Technical Communications field including technical writing. There is a need for smaller sized classes in this field and enrollment pressures in Engineering and Business Administration have increased demand for technical communications courses.

For the University of Northern Iowa a request for eleven faculty positions and eleven graduate assistant positions encompassed the university's request for staff to support the instructional program. The university reported substantial student demand in the areas of Business, Industrial Technology, Mathematics, and Computer Science. Classes are too large and closed classes are on the increase. The concern was that graduation requirements may be extended because of the lack of adequate staffing. The request sought: 7 faculty and 5 graduate assistant positions for the School of Business; 2 faculty and 3 graduate assistant positions for the Department of Industrial Technology; and 2 faculty and 3 graduate assistants for the Department of Mathematics including Computer Science. It was noted that additional faculty support would make it easier to retain senior faculty being recruited with higher salaries elsewhere.

The Regents sought to establish an annual salary appropriation of \$177,000 for the Statewide Family Practice Program as priority 6. During the 1981-83 biennial budget process the state failed to establish appropriations for the 8 percent salary increase applicable to all state programs. Consequently, this request would ask the state to correct an oversight.

The Board Office recommended that the actions proposed above be approved.

Mr. Richey noted that the recommended actions included proposals on requests for essential needs at Iowa State University and the University of Northern Iowa which were approved by the board at the September meeting.

He also noted that a discussion of block grants, recommendation no. 4, had already taken place during the University Hospitals Quarterly Report.

He said the board's priorities were not changed from the tentative action it took last month.

President Brownlee asked whether \$14 million of the \$23 million appropriations being requested would be for the academic vitality fund and the remaining \$9 million would be for other priorities as stated by the Regents. Mr. Richey said this was correct.

Regent Jorgensen asked if the board would be given a continuing update on block grants. Mr. Richey said yes and that hopefully a good report could be made in November. He said the board would be making two requests. One would be in terms of general appropriations and one would be from the special fund for block grants which would be appropriated by the state under a new state law. He said any requests for block grant appropriations would be subject to the board's review and action for the agencies under its jurisdiction.

Regent Neu asked if the information on block grants could be sent out ahead of the docket. Mr. Richey said it would be sent out as soon as it is available.

Regent Jorgensen asked about the recommendation that the executive secretary be authorized to act on block grant appropriations requirements as needed. She asked if this meant he would be taking action prior to board action. Mr. Richey said from a procedural aspect this was possible. If there is time for the board to take action before a decision is transmitted, it will by all means be done. He said he would not jeopardize the board's flexibility and would be sure that any action submitted would be a tentative one so that the board could change it. President Brownlee said the proposal was made so that Mr. Richey would be able to act when there is a need for him to do so. Mr. Richey explained that this would ensure that his transmittal was an official action of the board.

Regent Anderson noted that there was a possibility that not all of the Regents' request would be funded and wondered when the board would reconsider its priorities. Mr. Richey said that the priorities were set on the dollar amounts being requested. He said that if the board realizes it will not receive the full funding, it has always reserved the right to change its priorities. He explained that if only part of the requests are funded, the board would have an opportunity to reconsider the priorities. He noted that some of this takes place when the board acts on the preliminary operating budgets each fiscal year.

Regent Anderson asked how the priorities would be presented to the Legislature. Mr. Richey answered that the priorities would be presented in terms of the board's total request. If during the session the Legislature indicated it can only appropriate a certain amount and asks how the board would allocate it, he would begin the process of consultation with the board president and board members for resolution of this.

Regent Anderson was concerned about being prepared to respond to such inquiries from the Legislature. Mr. Richey indicated that the board does not normally develop a fallback position at this point in the process. President Brownlee added that to do so might jeopardize the board's request. Regent Harris noted that the board operates this way every year.

MOTION:

Mr. Nolting moved that the board approve a supplement budget request of \$34,017,000 financed by a supplemental appropriation request of \$23,150,000, new tuition rate revenue of \$6,398,000 and other institutional income of \$4,469,000 for fiscal year 1982-83; approve a supplemental appropriation request of \$189,000 for fiscal year 1982-83 for the Statewide Family Practice Program; confirm and transmit to the Governor the Regent priorities as follows: 1) to enhance institutional vitality and quality; 2) to finance price inflation; 3) to stabilize the College of Medicine instructional funding; 4) to restore indigent patient quotas and funding; 5) to increase staff for instructional programs, 6) to establish a biennial salary appropriation for the Statewide Family Practice Program; and 7) to increase tuition and fee income in support of operations; and authorize the executive secretary to act on block grant appropriations requirements as needed, subject to subsequent Regent action. Mrs. Murphy seconded the motion and it passed unanimously.

REGENTS' LEGISLATIVE PROGRAM, 1981 SESSION. It was recommended that the board:

1. Authorize the Merit System staff to study the reestablishment of merit step increases in fiscal year 1982-83 and make recommendations to the board at its November or December meeting;
2. Support introduction of legislation to change the dollar amount requirements for use of a performance bond in construction; and
3. Support introduction of amendments to carryover legislation, H.F. 828, concerning the reorganization of the State Historical Department.

The Board Office reported that the 1982 Legislative Session will convene on Monday, January 11, 1982. It noted that the board has taken a position on virtually all carryover bills of interest to the board or the institutions during the 1981 Session and will have an opportunity to review those positions prior to the opening of the 1982 Session.

The Board Office requested that board members and institutional executives inform it of any items which might be developed into a legislative request for the 1982 Session. The following two proposals had already been received:

1. Reestablishment of Merit Step Increases in 1982-83. On July 1, 1981, an appropriations measure became law which provided for a freeze of merit increases for employees in the Board of Regents Merit System.

When state officials began discussion of possibly freezing merit increases, reaction was solicited from the administrators and staff at each of the Regent institutions to such a freeze. Board Office staff met with staff councils at each of the Regent institutions last March and found an overwhelming sentiment against freezing merit increases.

Prior to the annual public hearing on the Regents Merit Pay Plan, the Iowa General Assembly approved an 8 percent across-the-board increase, including a freeze of merit increases, for each year of the biennium.

At the public hearing the Regent employees who attended expressed strong opposition to the freeze. Institutional administrators and Board Office staff again expressed concerns for the negative impact that such a freeze would have on employee morale. Most demoralizing to the staff is the lack of upward mobility in earnings for employees who have been with the institutions for some period of time in comparison to new employees. This was perceived by the nonorganized merit staff as a significant inequity to existing staff.

There is growing concern that the freeze may well undermine the competitive position of the Regent institutions with other employers seeking highly qualified applicants for vacant positions. Most if not all of the employers with whom the Regent institutions compete for employees provide for upward movement of their employees compared to the starting rate. The institutions' inability to offer that same movement is not positive in attempting to recruit the most qualified applicants for vacancies. The Regents Merit System salary plan is based on the equation of average salaries paid by competitors to the midpoints of Regents salary grades. Salaries frozen at the entry step in a grade (range) will not long remain competitive with going rates.

In discussions with institutional administrators, the staff councils of the Regent institutions have indicated a strong desire to have the freeze of merit increases lifted. Those discussions have centered on any reimplementation of merit being within the 8 percent annual increase appropriated by the Legislature.

The Board Office recommended that the board authorize the Merit System staff to study the reestablishment of merit step increases and make recommendations to the board at its November or December meeting.

2. Performance Bond Requirements. Section 573.2 of the Code states

Contracts for the construction of a public improvement shall, when the contract price equals or exceeds five thousand dollars, be accompanied by a bond, with surety, conditioned for the faithful performance of the contract, and for the fulfillment of such other requirements as may be provided by law. Such bond may also be required when the contract price does not equal said amount.

In the 1981 Session the Legislature passed Senate File 146 which changed threshold levels for bidding requirements for cities, counties, school districts, and Board of Regents to a \$25,000 level. Prior to passage of that bill, there were different requirements including \$5,000, \$10,000, and \$20,000.

Since the Legislature settled on \$25,000 as a uniform figure, it appears that the threshold level for performance bond requirements should likewise be changed to \$25,000. This would effect some economies in construction. Further, the Code provides that at the discretion of the bidding body, a bond could be required at a lesser amount.

The Board Office recommended that the board support introduction of legislation to change the requirement from \$5,000 to \$25,000. Prior to the start of the session, the Board Office would contact other political subdivisions to seek their support for this measure. It would also work with the interim committee that has begun to examine the desirability of uniform bidding requirements for all political subdivisions and state government.

The Board Office noted that any bills introduced in the 1981 Session not approved or defeated carry over to the 1982 Session. The Board Office said there were almost 200 such bills of interest to the board or the institutions. Some of the bills which will require specific review include the 36 bills on which the board took a position of opposition, changes in the public record law requirement on applications for employment, as embodied in Senate File 438, and continued review of those 1979 Economy Committee recommendations which have not been acted upon to date. The comprehensive review of carryover legislation is scheduled to occur at the November meeting. One issue was brought forward for action at this meeting:

House File 828 introduced late in the 1981 Session and sponsored by the Committee on State Government would abolish the State Historical Department, the State Historical Board, and the three divisions of the department. It would create a State Historical Department administered by an executive director appointed by the Governor with Senate confirmation. It would also create a seven-member board appointed by the Governor with Senate confirmation to advise the executive director.

This issue is of specific interest to the University of Iowa. The university reviewed the bill and requested support for the amendments.

The first amendment would require that the headquarters of the State Historical Society, its library and its publications and field service activities shall continue to be located in Iowa City. The reasons for this amendment were that, first, the State Historical Society building is already in Iowa City and it would be much more economical to make full use of that building rather than build a new one. Second, there is a tie between the University of Iowa library and the Historical Society library with corresponding economies of purchase. Third, there is a relationship not only between the two libraries, but a further tie with the Hoover Library in West Branch to create a special historical resource for Iowans, academicians, and students. Fourth, the library's location in Iowa City promotes student usage and is the basis of the strong history graduate program at the university.

The second set of amendments is intended to distinguish clearly the separate missions of the State Historical Department and the Office of the State Archaeologist. There are five such amendments. There is evidently confusion, omission, and duplication of effort between the State Historical Department and the Office of the State Archaeologist. The amendments would clarify this to provide that the State Historical Department would not have primary responsibility for materials, documents, and site records for which the State Archaeologist has such responsibility under Chapter 305A of the Code. The State Historical Board would, however, have as one of its powers and duties preparing and maintaining the National Register of Historic Places for the state.

This bill is currently in a subcommittee of the Senate State Government Committee. Subcommittee members are Senators Nystrom, Schwengels, and Slater. The Board Office recommended that the board support the suggested amendments to this bill and that those amendments be filed with the subcommittee.

The Legislative Council authorized the formation of 14 interim study committees. The Board Office and institutional representatives are following the activities of five of those committees. There are committees dealing with merit employment, contract and bidding procedures, retirement systems, block grants, and non-higher education funding. A further report on activities of these interim committees will be given at the November and December board meetings.

With respect to the proposal to reestablish merit increases, Regent Anderson stated that she had attended the Regents Merit System pay plan hearing and said there was overwhelming sentiment by employees against freezing the merit increases and for the board to do what it could to reinstate the merit increase.

Assistant Vice President Small indicated that she had consulted with the University of Iowa Staff Council and could second what Regent Anderson said. She said this matter was discussed with the Staff Council in terms of reinstating the merit increases within the existing appropriation. The staff understood that this would mean smaller across-the-board increases but they felt strongly that it is important to reinstate the merit increases.

Assistant Vice President Small said that from the point of view of the departments which do the hiring, it is also important to reestablish the merit increase. The present practice is inconsistent with the market from which the institutions recruit staff and this will become increasingly difficult if some sort of differentiation for clerical staff is not provided.

President Brownlee wondered if there would be any opposition from municipalities on the proposal to change the threshold level for performance bond requirements. Mr. McMurray did not think so but noted that this would be discussed at a legislative committee later in the month. President Brownlee suggested that the municipalities might object because they sometimes use bonding to discourage irresponsible bidders.

President Priestersbach said the University of Iowa was in full agreement with the recommendation on House File 828. He said this would allow the university to continue what has been a very productive association with the State Historical Society. The university and society have participated in many joint programs which have been of mutual benefit.

In regard to the amendments on the mission of the State Historical Department and the State Archaeologist, President Priestersbach felt that the amendments would clarify the special mission of the State Archaeologist.

President Brownlee asked if there was any other carryover legislation that should be brought up at this time. Mr. Richey said no.

MOTION: Mr. Wenstrand moved that the board authorize the Merit System staff to study the reestablishment of merit step increases in fiscal year 1982-83 and make recommendations to the board at its November or December meeting; support introduction of legislation to change the dollar amount requirement for use of a performance bond in construction; and support introduction of amendments to carryover legislation, H.F. 828, concerning the reorganization of the State Historical Department. Mrs. Jorgensen seconded the motion and it passed unanimously.

REVISIONS TO THE AREA EDUCATION AGENCY/BOARD OF REGENTS/DEPARTMENT OF PUBLIC INSTRUCTION AGREEMENT. It was recommended that the board approve the revised agreement between the Area Education Agencies, the Board of Regents, and the Department of Public Instruction, and authorize the executive secretary to sign the agreement for the board.

The Board Office noted that several years ago the Area Education Agencies, the Board of Regents, and the Department of Public Instruction entered into a joint agreement for the purposes of interagency understanding and cooperation in the area of special education. This agreement has proven to be very beneficial, facilitating the effective flow of students between the agencies and improving the spirit of cooperation so necessary to a successful special education program.

This past summer, a meeting was held by the committee that drafted the original agreement to consider some suggestions for revisions in the joint agreement. This committee, with representation from all sectors, including the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, the University Hospital Schools, and the Board Office, approved several revisions to the agreement. These revisions were subsequently drafted in a final form and shared among all those affected. Following initial approval by those affected, the agreement was submitted to each of the boards of the Area Education Agencies, and it has now been approved by all Area Education Agencies. In October, the State Board of Public Instruction will consider approval of the revised agreement. Concurrently, this item was submitted for approval by the State Board of Regents.

The Board Office said the changes in the revised agreement were relatively minor and did not involve any major policy changes.

The Board Office said the various individuals involved in both the revision of this document and the ongoing implementation of the agreement should be congratulated for their successful work in carrying out the spirit of cooperation implicit in the agreement.

Mr. Barak said that the agreement was basically the same as approved by the Regents, Area Education Agencies, and the Department of Public Instruction several years ago. The minor revisions were made based on the experience of operating under the agreement. He noted that everyone agreed that the agreement should continue. It has served a useful purpose and has been very good in terms of handling problems that special education students experience in moving from one kind of educational institution to another.

MOTION: Mrs. Jorgensen moved that the board approve the revised agreement between the Area Education Agencies, the Board of Regents, and the Department of Public Instruction, and authorize the executive secretary to sign the agreement for the board. Mrs. Anderson seconded the motion and it was passed unanimously.

REPORT ON MEETING OF ASSOCIATION OF GOVERNING BOARDS. Regents Murphy and Anderson attended the meeting of the Association of Governing Boards and made an oral report to the board.

Regent Murphy said it was a marvelous meeting and that she came back with the belief that this board does a great job. She indicated that at some point she would like the board to have some discussion about projected enrollment drops. Mr. Richey said new enrollment projections would be presented to the board in November.

Regent Anderson said she was also impressed with how well the Iowa State Board of Regents is run and organized. She was amazed by the amount of cooperation and coordination that takes place among the public institutions and other institutions such as community and private colleges. It appears that this is not occurring in some other states. Regent Anderson believed this would stand the board in good stead in the future because this cooperation and coordination will be very important in light of declining enrollment.

Regent Anderson reported that there was a lot of stress placed on the need for those in public education to become strong advocates of education in the legislatures. There need to be increased efforts by boards such as the Board of Regents with respect to the public and legislatures as they struggle for resources. Regent Anderson said she would share some of the ideas on this that she gained from the meeting at a future board meeting.

She said there was some discussion about the effects of the Economic Tax Relief Act on contributions to higher education. There was a strong emphasis on trying to reach a new group of givers that the new tax law might open up. At the same time, there is a probability it will have the effect of decreasing some very large contributions. She noted that contributors to higher education are not motivated by tax laws but that the amount of the contribution can be affected by the tax law.

In general, said Regent Anderson, the meeting of the Association of Governing Boards was good. She felt some of the workshops could have been better run, however.

President Brownlee noted that it had been announced in the September 1981 issue of AGB News Notes that Mary Louise Petersen, former president of the board, had been selected for the Distinguished Service Award from the State of Iowa.

REGISTER OF PERSONNEL CHANGES. The following actions were ratified by the board:

Resignation:

Christina L. Stamper, Secretary I/Receptionist, effective October 8, 1981.

Appointment:

Rena VanSickle, Secretary I/Receptionist, \$10,119 annually, with usual fringe benefits, effective October 6, 1981.

NEXT MEETINGS.

November 18	University of Northern Iowa	Cedar Falls
December 16-17	Iowa State University	Ames
January 13, 1982	University of Iowa	Iowa City
February 10,		Des Moines
March 24	Iowa State University	Ames
April 21	Iowa Braille and Sight Saving School (Academic Seminar)	Vinton
April 22	University of Northern Iowa (Academic Seminar)	Cedar Falls
May 19-20	University of Iowa	Iowa City
June 16-17	Iowa School for the Deaf (Academic Seminar)	Council Bluffs
July 21-22	Iowa State University (Academic Seminar)	Ames
August	NO MEETING	
September 15-16	University of Iowa (Academic Seminar)	Iowa City

President Brownlee noted that there may be minor changes in regard to locations in April and May as they relate to the seminar at the Iowa Braille and Sight Saving School.

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

President Priestersbach announced a change of status for Max Hawkins from full time as Director of State Relations to part time consultant effective November 30. President Priestersbach said the university and its sister institutions recognized this with reluctance and with a very deep sense of gratitude to Mr. Hawkins.

President Priestersbach said that Dennis Nagel, who has been serving as an intern to Mr. Hawkins, has agreed to assist the university in the area of state relations. This will mean a sacrifice on the part of Mr. Nagel in achieving his educational objective since it will be necessary for him to drop out of law school in the coming semester. He noted that Mr. Nagel had served on the staff of Governor Ray. President Priestersbach said the university was grateful to Mr. Nagel for his assistance and introduced him to the board.

President Priestersbach said it was hard to witness a change in the level of dedication that Max Hawkins has had for the Regent institutions. It was unsurpassed. He said he was sure the board would join him in saying a big thank you to Mr. Hawkins.

President Brownlee said the board certainly did join in the thanks to Mr. Hawkins. He said words were inadequate to express his appreciation and affection for Mr. Hawkins. He said it was fortunate that he would still be around to help as much as he can or chooses to. He thanked Mr. Hawkins and welcomed Mr. Nagel.

EXECUTIVE SESSION. President Brownlee reported that the board needed to enter into executive session for the purpose of legal consultation under Chapters 68.7.4 and Chapter 28A5.1c of the Code of Iowa. On a roll call vote as to whether to enter into executive session, the following voted:

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

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 2:08 p.m. and arose therefrom at 2:20 p.m.

STATE UNIVERSITY OF IOWA

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

UNIVERSITY HOSPITALS QUARTERLY REPORT. It was recommended that the board receive the Quarterly Report of the University of Iowa Hospitals and Clinics and approve the amendments to the Bylaws.

The Board Office noted that the report concerned two matters. First, there was an extensive discussion regarding the 1981-82 county quota reductions, and second, there were two amendments to the University Hospital Bylaws.

It was noted that the university has asked, and the board endorsed, restoration of the 10.9 percent county quota reduction and elimination of the current subsidization of indigent patient care by paying patients through the essential adjustment request of \$1,417,495 in the 1982-83 operating budget asking.

The amendments to the bylaws were proposed in order to: (1) clarify the responsibilities of the Professional Practice Subcommittee, the Utilization Review Subcommittee, and the Clinical Service Patient Care Evaluation Committees in accordance with the Quality Assurance Program which was adopted in conformance with the requirements of the Joint Commission on Accreditation of Hospitals; and (2) update one of the references in the University Operations Manual to reflect the recent revision and renumbering of the faculty grievance procedure.

John Colloton, Director of University Hospitals and Assistant to the President for Statewide Health Services, highlighted the report which had been distributed to the board.

He said the annual state appropriation to University Hospitals is designed to pay for the care of three groups of patients: state institution patients, non-charge quota indigent patients (obstetrics and orthopaedics), and indigent patients charged to the quota allocations of the 99 respective counties. Institutional patients are referred to University Hospitals by authorities of 18 individual state institutions. University Hospitals does not exercise control over the number of patients referred in this category. Chapter 255 of the Iowa Code specifies that obstetrical and orthopaedic indigent patients are noncharge quota patients. This means that such patients receive the same county authorization as other indigent patients, but they do not count toward utilization of county quota allocations. All other indigent patients must secure county authorization and are counted toward utilization of the referring county's quota allocation. This quota is calculated each year by University Hospitals based on the cost of care and the amount of money appropriated by the Iowa General Assembly. Mr. Colloton described how the county quotas are calculated.

In 1980, University Hospitals sought ways to avoid the reduction in quota allocations which would have resulted from the appropriation reversion. The reductions were mitigated through a combination of cost containment, service reductions, and subsidies by paying patients. Accordingly, the 4.6 percent reversion of the state appropriation was accommodated without quota reductions on an interim basis. In 1981-82, the reversion was continued and, coupled with an appropriation increase of only 2.3%, resulted in a shortfall of approximately \$2.1 million in appropriation funding.

University Hospitals is currently utilizing several options for accommodating the appropriation shortfall, including a continuation of the 1980-81 service reductions, a 0.5 percent surcharge to paying patients, increased cost containment measures, and a 10.9 percent reduction in indigent patient county quotas instituted on July 1, 1981.

Mr. Colleton said that the reduction in county quotas is expected to result in only 223 (4.1 percent) fewer indigent patients charged to county quotas. The real quota cut of 4.1 percent versus the 10.9 percent reduction is accounted for by the fact that some counties do not use their full quota. It was anticipated that most of the 223 patients will continue to be sent to University Hospitals at county expense. The decision to reduce quotas was made in such a way as to temporarily accommodate the appropriation reduction while minimizing the impact on indigent patients and the referring counties. If the affected counties so elect, these patients can continue to receive service at the University of Iowa Hospitals and Clinics through direct payments by the counties.

University Hospitals is carefully monitoring potential impact of the reduction on the current year's quota utilization. The percent of quota utilization this year compared with last year, by county, is examined monthly as is the counties' expanded use of the clinical pay category (waived physician fee and patient paid hospital expense), and use of county clinical pay (direct county pay for short-stay inexpensive indigent patient admissions). Based on the first two months' experience in 1981-82 compared with the previous fiscal year, it would appear that the quota reduction is being responded to conservatively by the counties. They are referring more patients to University Hospitals under the county clinical paying patient classification. The aggregate end results of the impact of the quota reduction cannot be known until the end of the fiscal year when University Hospitals collectively examines quota utilization, County Clinical Pay referrals, and excess quota patients which are billed to the county via the State Comptroller's Office.

To date, University Hospitals has not been made aware of any indigent patients being refused referral at the county level. Accordingly, it judges that patients are being accommodated either through direct county payments to University Hospitals or by greater self payments by individual patients. The forthcoming curtailment in the Medicaid program in Iowa may also significantly impact indigent patient utilization of University Hospitals and thereby place greater stress on county quota allocations. The cutbacks in Medicaid support into effect concurrent with the federal fiscal year on October 1, but the nature of curtailed service, beneficiaries, or payments at the state level has not yet been determined.

Mr. Colloton noted that the university has requested and the board has endorsed restoration of the 10.9 percent county quota reduction and elimination of the current subsidization of indigent patient care by paying patients through the essential adjustment request of \$1,417,495 in the 1982-83 operating budget askings. This becomes critically important in the face of growing economic pressure on Iowa's counties and their limited ability to directly provide funds for care of indigent patients. Failure to provide dollars for restoration of the quota, or a need for further reduction in the quota in the event of inadequate appropriation funding for 1982-83 could seriously impact the financial stability of the University Hospitals as well as the patient care needs of the state's needy citizens. Mr. Colloton said if the Legislature is unable to award the 1.4 million there will be serious consequences including an additional quota reduction of 12.6 percent. This would result in the transfer of payment responsibility for 22.2 percent of indigent patients from the county to state level. The quota would place a stress on county pool funds for which the source of income is property tax. This would raise questions as to whether all the needs for care were being met.

Mr. Colloton noted that during a recent visit from the Legislative Visitation Committee this was spelled out to the committee in considerable detail.

President Brownlee asked for an explanation of the county clinical pay patient classification. Mr. Colloton answered that this classification has been used at University Hospitals for 25 years. When a county determines that a patient cannot pay for hospitalization rather than charging that patient's care to the county quota, they refer the patient to University Hospitals under the county clinical pay patient classification and the county is billed directly. This procedure gives the counties flexibility to refer individual patients requiring a short hospital stay under this category and saving the county quota for patients who have need for more expensive hospitalization. President Brownlee noted that this penalizes the state because no professional fees are paid by the county clinical pay patient. Only hospital care is charged. There is no limit on the number of patients that may be referred in this way. In answer to a question from Mr. Richey, Mr. Colloton said that the value of services furnished by University Hospitals in the last fiscal year was about \$300,000.

In regard to Mr. Colloton's remarks that he was not aware of any indigent patients being refused care, Regent Anderson asked how University Hospitals would learn if patients were being refused.

Mr. Colloton said there are a number of ways to learn this. One way is if a patient or physician contacts their local legislator and the legislator makes inquiries to the hospital. Another way is that county welfare directors periodically attend orientation sessions given by University Hospitals. There is a great deal of dialogue between the directors and the staff of the admitting office of University Hospitals. A third way is through contact with physicians and a fourth way is that patients will contact the hospital directly if they have a problem in referral. He said there was no systematic effort in this regard. The only time University Hospitals would be involved directly would be if a patient was asked to return for an examination and the patient indicated he or she could not return because they did not have indigent status. University Hospitals would then try to work something out.

President Brownlee asked about the possibility of charging professional fees to county clinical paying patients. Mr. Colloton responded that the fees would be charged to the county rather than to the patient. In view of current restraints on county resources, he thought this would create a severe strain on already strained county resources and said University Hospitals was attempting to avoid this. He noted that in the future it might be necessary to abolish this classification. President Brownlee said he was not proposing to do that but that he had some concern about it in view of the future of Medicaid and the ability of the state to meet these needs. He said action on this classification should be kept in mind in case it becomes too much of a budget for the hospital staff to continue to meet the needs of patients. He asked if there were any objections to this consideration. There were none.

Mr. Colloton then turned to a discussion of block grants. He noted that on June 18, 1981, the board endorsed the position of the University of Iowa Statewide Health Services on block grants. This was that the portion of federal block grant dollars available for perpetuating maternal and child health outreach programs should be directly appropriated to the university and should be appropriated within the Regents' budget.

Mr. Colloton said that University of Hospitals had met with the Commissioner of Health and his staff and others at the state government level and achieved these goals effective October 1, 1981. In a letter to the federal government Governor Ray made specific reference to the child health program services and indicated that he supported direct funding of these services from the maternal child health block grant. Some of these moneys are now flowing into the state and the university's portion is about \$2 million.

Because the Legislature determined in subsequent years that block grant funds will be placed in the State Treasury and appropriated by the General Assembly, University Hospitals will submit a request to the board for appropriation of funds for the 1983-83 fiscal year to continue the flow of moneys into the Regents' budget structure. Mr. Colloton said this request would be prepared in consultation with the Board Office as soon as the federal levels of appropriation are known.

Mr. Colloton said that there were university-wide efforts in regard to block grant concerns and that these efforts were headed by William Farrell. He has been attending meetings held at state and regional levels to monitor block grant activities relating to the University of Iowa. Mr. Colloton said the university also received excellent support from Mr. Richey and Mr. Caldwell, of the Board Office and the State Comptroller's Office and was very pleased with the outcome.

Mr. Colloton introduced Mr. Farrell. Mr. Farrell said that the child health program was the only one to receive a direct appropriation. Last year it was supported by \$2.6 million in federal funds, \$1.8 million in direct funds, \$.3 million from the State Department of Health, and \$.5 million from categorical grants. Continuation of this program will be primarily dependent upon the maternal child health grant.

Mr. Farrell said that through efforts of the university, the board, and the State Department of Health, the state successfully applied for a block grant for this program and funds are currently being received through it.

He said there is a great uncertainty about the future of this program. The House in Washington passed an appropriations bill which includes a setion on the maternal child health block grant but this is an area in which President Reagan is calling for cuts. It is unknown what the appropriation for fiscal year 1982-83 will be.

He noted that this particular program is unique in that its direct source of support was earmarked under a block grant. However, this does not mean that other programs will not be affected. At the present time the university receives \$133,000 in grants from the Department of Public Instruction and the State Department of Health which are dependent upon federal funds allocated in block grants.

Mr. Richey noted that a biomedical science program funded under Title III apparently would be included in an education block grant for fiscal year 1982-83. He said this would be monitored closely with respect to a need to take interim action on making submissions to the state. The block grants will also be monitored carefully for any implications for the special schools. He noted this this was a concern raised at a recent meeting of the Iowa Braille and Sight Saving Advisory Council.

Regent Anderson asked for clarification on how block grants would be appropriated in the next fiscal year. Mr. Richey said it was his understanding that all block grant moneys would be appropriated by the state Legislature and that it would be necessary for the board to make a request to the Legislature on all block grants to be sure the institutions are treated appropriately. Regent Anderson asked to what extent the state legislature would have to follow federal guidelines. Mr. Colloton said there was considerable flexibility except in the maternal child health care block grant. It will be possible to move money into this grant but not out of it.

The proposed amendments to the Bylaws are shown on the following pages:

AMENDMENT 1 Professional Practice Subcommittee

Article III, Section 5, Part B(1)(a),(b),(c) and (d) were amended to read as follows:

- a. Coordinate the ~~multiple~~ quality assurance related activities of the Medical Records and Utilization Review Subcommittees of the Hospital Advisory Committee and ~~these comparable functions carried out by the departmental~~ medical and dental ~~audit~~ patient care evaluation committees of the Clinical Services and hospital departments.
- b. Assure optimal compliance with applicable accreditation standards and governmental regulatory controls concerning ~~medical~~ patient care evaluation and utilization review, as specified in the University of Iowa Hospitals and Clinics' Quality Assurance Program.
- c. Review, analyze and evaluate on a continuing basis the performance of the ~~departmental audit~~ Clinical Service patient care evaluation committees in formulating standards of care, by diagnosis; measuring outcomes of care; and taking constructive intra-departmental action of an educational nature on the audit evaluation results.
- d. Serve as a ~~principal~~ liaison between the University of Iowa Hospitals and Clinics and the Iowa Professional Standards Review Organization (PSRO).

Approved by the University Hospital
Advisory Committee on April 15, 1981

AMENDMENT 2 Utilization Review Subcommittee

Amend the first sentence of Article III, Section 5, Part B(16) to read as follows:

To promote the most efficient use of hospital facilities and services by coordinating the ongoing conduct of admission review and extended continued stay reviews on all hospitalized patients.

Approved by the University Hospital
Advisory Committee on April 15, 1981

AMENDMENT 3 Quality Assurance Program and Clinical Service Patient Care Evaluation Committees

Article V, Sections 1 and 2 were amended to read as follows:

Section 1: Quality Assurance Program

The Hospital Advisory Committee shall adopt, annually review, and, as necessary, revise a Quality Assurance Program to evaluate the quality of professional services and to take appropriate actions based on those evaluations. which The Quality Assurance Program shall include the Clinical Service audit patient care evaluation committees created pursuant to Section-2 of this Article, the Professional Practice Subcommittee as required by its charge, and the Hospital Advisory Committee pursuant to Section-1 of Article-III, and other committees designated by the Hospital Advisory Committee.

Section 2: Medical and Dental Audit Patient Care Evaluation Committees

Each Clinical Service shall have a Medical or Dental Audit Patient Care Evaluation Committee which shall be appointed by the respective Clinical Service Head and be a subcommittee of the Professional Practice Subcommittee. The Committee shall to measure the extent to which patient care delivered in the Clinical Service satisfies standards of care formulated pursuant to the Quality Assurance Program and take constructive intra-departmental action on the evaluation results.

Approved by the University Hospital
Advisory Committee on April 15, 1981

AMENDMENT 4 University Operations Manual

The paragraph before last of article IV, section 5, part E, was amended to read as follows:

The procedures provided in section ~~20.264~~ 20.265 of the University Operations Manual shall not be available in any action concerning clinical privileges.

Approved by the University Hospital
Advisory Committee on July 1, 1981

MOTION: Dr. Harris moved that the board approve the amendments to the Bylaws. Mr. McDonald seconded the motion and it passed unanimously.

The report on the Quarterly Report of the University of Iowa Hospitals and Clinics was received with commendations by general consent of the board.

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

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

Appointments:

Peter C. Riesz, as Chairman of the Department of Marketing, College of Business Administration, effective October 1, 1981.

Thomas V. Gardner, as Acting Head of Family Dentistry, College of Dentistry, effective August 14, 1981.

In addition, a supplemental appointment was presented for approval:

Jean Kendall as Director of Iowa Memorial Union Services and Campus Programs, effective July 1, 1980.

Vice President Bezanson explained that the appointment of Ms. Kendall was inadvertently omitted for approval in July. He said that Ms. Kendall has been carrying out her responsibilities ably.

The above appointments were approved by general consent of the board.

SPECIAL SECURITY OFFICER: The board was asked to approve the commissioning of Victoria A. Standley, as permanent Special Security Officer.

It was noted that Ms. Standley successfully completed the Iowa Law Enforcement Academy's sixth intermediate five-week basic training course on September 25, 1981.

The commissioning of Victoria A. Standley, as permanent Special Security Officer was approved by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that a preliminary Register of Capital Improvement Business Transactions for October 1981 had been received, was in order, and was recommended for approval subject to receipt of additional justification on the proposed engineering contract for the Dental Science Building.

Mr. McMurray noted that a number of open bid matters concerning the Carver-Hawkeye Sports Arena would be covered in the November capital register and that the final register had now been received and was in order.

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

1981 Roof Replacements - University Hospitals

Award to:

<u>Phase I:</u>	Briggs & Associates, Inc., Des Moines, Iowa	<u>\$55,818.00</u>
<u>Phase II:</u>	Briggs & Associates, Inc., Des Moines, Iowa	<u>\$55,380.00</u>
<u>Phase III:</u>	Briggs & Associates, Inc., Des Moines, Iowa	<u>\$69,400.00</u>
<u>Phase IV:</u>	D. C. Taylor Co., Cedar Rapids, Iowa	<u>\$75,619.00</u>

Carver-Hawkeye Arena - Contract #17 - Metal Fascia Panel System

Award to:	Swanson Gentleman, Inc., Des Moines, Iowa	<u>\$382,477.00</u>
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The board was asked to take action on the following special contract matters in regard to institutional road agreements:

West Campus Roadway - Hawkins Drive

The board was requested to approve an agreement between the Iowa Department of Transportation, Highway Division, and the board. The agreement sets forth the provisions for the construction and inspection of the West Campus Roadway project funded, in part, in House File 850 in the 1981 Legislative Session. This is a \$1.5 million project. The project, to be called Hawkins Drive upon completion, would be designed, let and constructed by the University of Iowa. The board will also be responsible for project inspection with the exception of inspection of construction located within U.S. 218/6 highway right-of-way which will be the responsibility of the Department of Transportation. The agreement further calls for monthly progress payments and reimbursements to the University of Iowa for such payments. The agreement delineates future maintenance responsibilities for the new or reconstructed roadway.

On a related issue, the board was requested to approve selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide full range engineering services on this project including contract administration. The fee is on an hourly rate basis to a fixed maximum of \$129,700.

The West Campus Roadway - Hawkins Drive was also included under new projects.

Source of Funds:	Iowa DOT - Road Use Tax Appropriation	\$850,000	
	- Primary Road Fund Appropriation	150,000	
	Institutional Road Funds - Const. 1982	400,000	
	- Engineering & Adm.	100,000	
	Total		<u>\$1,500,000</u>

West Emergency Drive - South Pavilion Hospital Complex

This is a \$260,000 construction project included in the 1982 institutional roads program. In 1980 the board approved an agreement with the Iowa Department of Transportation, Highway Division, under which the board would be responsible for the design, construction, and construction management of this project.

The board was now requested to approve selection of Shive-Hattery & Associates, Iowa City, Iowa, for engineering services on this project on an hourly rate basis to a maximum cost of \$40,700. Those costs would also come from the institutional road program for 1982. A preliminary budget and project description will be prepared and submitted in accordance with established procedures at a later date.

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

Hydraulics Laboratory - Wind Tunnel Annex

The board was requested to approve a revised project budget totaling \$716,000. Prior project cost was approved at \$560,000. The increased construction cost estimate was attributable to a number of changes in the project as it was conceived at the preliminary design stage in May. Bids were scheduled to be received on the project on October 22. Source of funds for the increase of \$156,000 is the Institute of Hydraulics Research Reserve.

The board was requested to approve the following new projects:

University Hospitals - Automatic Sprinkler System - Psychiatric Hospital
North Wing

Source of Funds: Psychiatric Hospital Building Usage Funds \$44,500.00

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

Medical Laboratories - Pulmonary Research Laboratory Remodeling

Source of Funds:	Pulmonary Research Fund	\$182,300	
	Gen. University Building Repairs	<u>20,000</u>	
	Total		<u>\$202,300.00</u>

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

Fire Safety Alterations - Phase II - Hillcrest Residence Hall

Source of Funds: Dormitory Improvement Reserve \$386,400.00

The Physical Plant Department was selected as inspection supervisor. In September the board selected Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa, as architect on an hourly rate basis contract to a maximum of \$24,770.

This project continues the program to correct fire safety deficiencies in the university residence halls, as cited in the State Fire Marshal's report of 1979.

University Hospitals - Hospital Tunnel Finishing

Source of Funds: Psychiatric Hospital Building Usage Funds \$38,500.

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

University Hospitals - Emotionally Disturbed Children's Unit Refurbishing

Source of Funds: Psychiatric Hospital Building Usage Funds \$90,900.00

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

West Campus Drainage Improvements and Bike Path North Spur Replacement

Source of Funds: Treasurer's Temporary Investments \$400,000.00

The Physical Plant Department was selected as inspection supervisor. The agreement with Shive-Hattery & Associates, Iowa City, Iowa, on the West Campus Roadway project also contained engineering services for this project. Engineering and supervision was budgeted at \$42,000 for this project.

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

Hydraulics Laboratory - Third Floor Air Conditioning

Ratify selection of Shive-Hattery & Associates, Cedar Rapids, Iowa, to provide a preliminary study and final design services on an hourly rate basis to a maximum of \$6,320.97. The board has not approved a project budget to date.

University Hospitals - Pulmonary Function Laboratory Remodeling

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide final design services, site survey services, and testing services on an hourly rate basis to a maximum of \$10,201. In July the board approved a project budget of \$94,200. Engineering services outlined would constitute 10.9 percent of that budget. The project would construct a prefabricated metal building on a concrete slab with a concrete landing pad on the Oakdale Campus to house the air care emergency helicopter.

University Hospitals - Computer Support Project

Ratify selection of Kimmel-Jensen-Wegerer-Wray, Rock Island, Illinois, to provide final design services on an hourly rate basis to a maximum fee of \$8,400. The board has not approved a project budget to date.

Old Capitol - Exterior Paint and Repair

Ratify selection of Harvey W. Henry, Coralville, Iowa, for additional architectural services consisting of contract administration and project quality control on an hourly rate basis to a maximum of \$2,000. Final design services were provided by this firm at a maximum cost of \$6,080, as approved by the board in September. At the same meeting, the board ratified award of contract in the amount of \$59,146.

University Hospitals - Carver Pavilion, Phase C Shell-In

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide testing services to a maximum cost of \$58,500. This is a \$4,305,911 project to construct a fifth and sixth floor shell in the Carver Pavilion facility to provide space for replacing the Department of Pathology clinical laboratory. Hansen Lind Meyer of Iowa City is the architect. An initial contract in the amount of \$1,548,000 was awarded in July.

Reoccupancy Remodeling - Children's Hospital

The board was requested to grant permission to the university to negotiate a contract for architectural services with Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa. This firm has served as architect on the first three phases of this project. The university was now ready to begin further remodeling in that building. A contract with the firm will come back to the board for approval. The Board Office recommended permission.

Field House - Remodeling Project

In July the board authorized the university to seek architectural services for the Field House remodeling portion of the Hawkeye Sports Arena/ Recreation Project. All Iowa architects were advised by the AIA of the university's interest in receiving expressions of interest to provide design services for the project. Seventeen responses were received. Three firms were interviewed. The selection committee recommended to the president the selection of Bussard/Dikis Associates, Des Moines, Iowa. That recommendation was brought forward from the president to the board.

Services would be provided through bidding stage at a fixed fee of \$210,000. This fee is based upon a construction budget, not including construction contingencies, of \$3,000,000. The Board Office recommended approval.

Alumni Center Addition

The university requested permission to negotiate a contract for architectural services with Abramovitz, Harris, and Kingsland, New York, New York. The board of directors of the University of Iowa Foundation expressed a willingness to support the construction of an addition of approximately 4,500 square feet to meet the expansion needs of the Foundation and the

Alumni Association. The aforementioned firm has performed architectural services for the entire modern development of the fine arts campus including the Alumni Center. Continuity dictated that this firm continue to be retained for this small addition provided that a satisfactory contract can be negotiated. The Board Office recommended approval.

Dental Science Building - Replacement of Domestic Water Piping

In January 1981 the board approved a contract with Shive-Hattery & Associates, Iowa City, Iowa, for engineering services on the project excluding compensation for construction phase services. Those services would be determined at the completion of the construction document phase and would be additive to the negotiated amount maximum of \$38,400, should Shive-Hattery be selected to do the work.

The university requested approval of an amendment to the agreement with Shive-Hattery and Associates, Iowa City, Iowa, for those construction phase services on an hourly rate basis to a maximum additional of \$97,700. In May the board approved this project as a \$994,000 project. Contract award in the amount of \$654,508 came in July. The combined fees on this project totaling \$156,100 create a fee in excess of 20 percent of the cost of the construction as awarded. The Board Office suggested that the university elaborate on the reasons for what appeared to be an excessive fee.

Vice President Bezanson noted that this is a very complex project because of the need to replace the piping in the midst of ongoing patient care, and research and instruction activity. He said the university was mindful of this complexity from the beginning of the project, and the amount of assistance needed in scheduling.

It was originally planned that engineers provide construction management services on an average of 20 hours per week. Vice President Bezanson said that a great need for those services has developed because of the nature of the ongoing activities in the building. He said the adjustment reflects the fact that the university would more heavily use the assistance of the engineers in connection with engineering and construction management and advising services during the course of the project.

Vice President Bezanson also noted that a large portion of the budget of the College of Dentistry is generated by private patient care. Therefore, the college cannot afford to have the level of patient care services significantly reduced during this time. This would have implications for the general budget of the college.

Mr. Richey was still concerned that the fee would be in excess of 20 percent of the cost of construction. Vice President Bezanson said that the estimate of \$97,700 was not a flat figure. It is the cost the university expects to be reflected in actual hourly bills. He said the level of use of the engineers would more than double from the time originally estimated. In answer to a question from Mr. Richey, he

said this would have no impact on the construction cost but would have an impact on the engineering cost. He said it would have an impact on the total budget. Mr. Richey said if the amendment did not raise the cost of the project because of more construction, he would not object.

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

Carver-Hawkeye Arena

Bids were taken on September 16 for Contract #9, General Trades, Miscellaneous Metals. Two bids were received. Low base bid was \$757,000, while the other base bid was \$1,147,816. In a review of bids, it became apparent that the low base bidder had modified the specifications prepared by the university. It further became apparent that the specifications for a portion of this project (the catwalk), as prepared by the university, were not clear. Therefore, the bids submitted were not based on the same catwalk system.

The Board Office recommended that both bids be rejected. It is intended that the catwalk system will be redesigned and bid as a separate package after the first of January. The remaining items in this contract will be readvertised and rebid as soon as practical.

MOTION:

Mr. McDonald moved that the board approve the Register of Capital Improvement Business Transactions for October 1981; ratify award of construction contracts made by the executive secretary; approve the agreements with the Iowa Department of Transportation; approve the revised budget; approve the new projects; approve and ratify the consultant contracts as shown; grant permission for negotiations for architectural services; reject the bids on Contract #9, Carver-Hawkeye Arena as shown; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

JOHN F. MURRAY ENDOWMENT FUND QUARTERLY REPORT. It was reported that there was no activity to report in the John F. Murray Endowment Fund for the quarter ending September 30, 1981.

The report on the John F. Murray Endowment Fund Quarterly Report was received by general consent of the board.

TRAVEL AGENCY BRANCH WITHIN THE UNIVERSITY. President Brownlee introduced a supplemental topic for the University of Iowa. He noted that a great deal of interest had been expressed concerning an action by the university regarding travel by university faculty, staff, and others. President Brownlee noted that he had asked the university to distribute information regarding this action to all board members and that this had been done. He asked Vice President Bezanson to describe the situation.

Vice President Bezanson said that the university has problems related to the growing cost of travel. A year ago it began to search for alternatives to deal with these costs. Last summer it was decided to go out for competitive bids for travel agency service. Vice President Bezanson did not think this was ever done before at a public or private institution. The bids were on a wide open basis to provide an opportunity for all firms to bid on making arrangements, on a nonexclusive basis, for university related travel.

Vice President Bezanson described the procedure used in seeking competitive bids from the private sector for travel services for the University of Iowa on a nonexclusive basis. Local travel agencies and travel agencies in Iowa were contacted. Seven bids were received. The university maintained some breadth of options in the specifications in order to provide full opportunity for the bidding firms to tailor their proposals to their particular situations. The opportunity to provide this service was made available to all firms on an equal basis.

Vice President Bezanson emphasized that the university was not permitting the establishment of a branch agency of a private travel agency in order to make a profit. He said the university believes that all costs related to the agency will be fully covered. The advantage to the university of having a branch agency on campus is that it will be able to take advantage of opportunities to cope with increasing travel costs it is not now in a position to take advantage of. The university's objective is to save money and contain costs, not to go into competition for travel business.

In the material distributed by the university it was stated that the contract was awarded to Beam Travel Center, Inc., of Ithaca, New York. In the very near future Beam Travel Center will be seeking approval on the federal regulatory level for establishment of the branch agency. The contract is one year in duration and fully terminable at the expiration of that period. The branch travel agency services will be available for university related travel by faculty and staff, and those services will be nonexclusive in nature.

The university listed the advantages of this arrangement as follows:

1. All costs related to personnel and equipment are to be borne by Beam Travel Center, Inc. At our option, personnel of the agency will be University employees, hired locally, working directly for the University, and answerable to the University, and all personnel costs will be fully reimbursed by Beam through commission income from airline bookings, which Beam has offered in the amount of 3 per cent on domestic business and 8 per cent on international business. We presently expect that the initial staffing of the agency will consist of three to four people, and will expand as necessary and appropriate in light of the volume of bookings. Under the applicable federal regulations, the commission income reimbursed to the University from airline bookings cannot exceed actual and full personnel, equipment, and related costs. Rent for the space utilized, which we estimate at 500 square feet, cannot legally be recovered through airline booking commissions.

2. The Beam Travel Center, Inc., proposal offered the University full reimbursements on hotel and motel reservations, car rentals, and other commissions, up to the first \$50,000 per year of such commissions, and thereafter the University will receive 87 per cent of such commissions, with Beam Travel Center, Inc., receiving 13 per cent of such commissions.

3. Beam's management fee, expressed as a percentage of airline commission income (13 per cent), and of other commission income in excess of the first \$50,000, was the lowest fee proposal of the various bidders.

4. The University will have available to it the prearranged corporate discount rates for motel, hotel, and car rental bookings.

5. A travel agency devoted exclusively to University bookings whose records are controlled by the University and can be integrated in the University's systems will provide the University with the ability to achieve attractive rates, respond flexibly to changing air rates, and to coordinate and engage in advance planning in a wide variety of areas and ways with respect to travel arrangements.

6. Through the use of credit card billings, the University can achieve a significant delay in payment and a commensurate increased capacity to earn income on invested funds throughout the University. Credit card billing will also provide us an important measure of flexibility in responding to a rapidly changing rate environment. Assuming that the necessary coordination could be achieved under the existing system of individual faculty and staff initiative and multiple travel agencies, the use of credit cards would be difficult if not impossible in light of the need to distribute cards to individual faculty and staff at the University with concomitant administrative costs. Under the on-campus travel agency arrangement,

the University will have only one credit card which will be held by the travel agency in the office, thus avoiding administrative costs and assuring a means of accountability and control which could not be achieved if University credit cards were distributed to all faculty and staff or to all local travel agents. The use of personal credit cards by faculty and staff can also be eliminated.

7. Our capacity to integrate the travel agency records into the University's record and data processing systems, coupled with our ability to defer payment under credit card arrangements, will result in a significant elimination of steps related to travel authorization, travel advance payment by the University, and staff time committed to the arrangement, payment for, and picking up of tickets at local travel agencies. The number of steps involved in the travel arrangement process under the on-campus branch arrangement will be significantly reduced, the amount of travel advance payments by the University will be substantially diminished with commensurate cash flow as well as administrative advantages, staff time will be saved because most transactions can be handled completely over the telephone, and much of the time and effort involved in planning bookings will be undertaken by travel agency staff, the costs of which are reimbursable by Beam Travel Center, Inc. In addition to financial benefits and the saving of faculty and staff time, it is expected that the level of service to the faculty or staff member will be highly attractive and beneficial.

8. The work of the on-campus travel agency will be dedicated exclusively to the University of Iowa. The staff will be staff of the University of Iowa. The exclusive obligation of the travel agency staff will be to achieve the best cost and service in the interests of the University of Iowa and its faculty and staff.

9. Beam Travel Center, Inc., has directly relevant experience with an on-campus branch agency at Cornell University in Ithaca, New York. Beam has a proven record of successful performance at a major educational institution.

In regard to item no. 1 above, Regent Anderson asked if the payment referred to by Beam to the university was the 87 percent commission. Vice President Bezanson explained that under the contract, Beam Travel Center is responsible for providing all office and other equipment related to the agency. It is their property and does not fall within the percentage of the commission. If the contract is terminated at the end of the year, Beam will remove this property.

Vice President Bezanson said that the employees of the travel agency would be hired locally through the university personnel process in order for the hiring process to be subject to the university's affirmative action and other rules. This will also avoid having two classes of employees. The personnel costs are structured so that the university will be the employer and Beam Travel will reimburse the university for personnel costs. The source of this reimbursement will be from 87 percent

of the commission on air fare. This would be 3 percent for domestic travel and 8 percent for international travel. Legally the university cannot be reimbursed beyond its full costs from that source.

He said that the university believes it will have a volume of business to cover costs. It expects to start operation of the agency in January if it gets the necessary federal clearance.

The agency will start with a low level of staffing and add staff to the extent necessary in response to the volume of business.

In answer to a question from Regent Anderson, Vice President Bezanson said the contract can be terminated after one year by either party for any reason or no reason upon 30 days' notice. There is also an option to continue the contract on the same terms. Another option would allow the university to buy Beam Travel out for \$1,000.

Regent Anderson asked about the basis for evaluation on whether to continue the contract at the end of the year. Vice President Bezanson said that in effect all business done through the branch agency on campus will be audited. After the fact, the university will review and audit the business that is done outside of the agency. A comparison of these will be made.

Beam Travel will be notified if there were occasions it missed any options. If a transaction made by a faculty or staff member on their own is made at a significantly higher price than could have been obtained through Beam Travel, they will be notified of that. The university will not require the faculty or staff member to use the travel agency but will make them aware of the opportunities available.

Vice President Bezanson said it was the university's judgment that the use of a travel agency is a reasonable, responsible, and attractive means of holding down costs and providing itself with the ability to be in a better position in making travel arrangements.

Regent Anderson concluded that there was no intent or expectation that there would be any subsidy from the university budget in this program. Vice President Bezanson said this was correct.

President Brownlee noted that this contract was entered into by the university in the regular course of a purchase of a service in the same way that other purchases are made. He said he brought the topic up because of the interest in it and that the board did not need to take any action. He said the board would now be able to answer questions about this. Vice President Bezanson told board members to feel free to direct people with questions on this contract to him.

President Brownlee 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.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 21, 1981.

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

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

Appointments:

Dr. Richard P. Lowitt, renewal of appointment as Chair of the Department of History for a five-year term beginning July 1, 1981, and ending on June 30, 1987, salary as budgeted.

Dr. Franklin A. Ahrens as Chair of the Department of Veterinary Physiology and Pharmacology, beginning January 1, 1981, and ending on June 30, 1986, salary of \$53,150.

The above appointments were approved by general consent of the board.

BRUNNIER GALLERY ACCREDITATION. It was recommended that the board approve the resolution provided by Iowa State University on the Brunner Gallery and Farmhouse.

The Board Office said the resolution certifies that the Brunner Gallery and the Farmhouse are permanent facilities on the Iowa State University campus. This is a necessary prerequisite of accreditation for these facilities by the American Association of Museums. The Farmhouse is on the National Register of Historic Places.

Vice President Madden indicated that the Brunner Gallery has been in the process of attempting to be recognized by the American Association of Museums for some time. One of the considerations is an indication of permanence of facilities.

He said that recognition by the American Association of Museums would give the Gallery access to displays and exhibits that travel around the country. There is no direct financial obligation.

MOTION: Dr. Harris moved that the board approve the resolution provided by Iowa State University on the Brunner Gallery and Farmhouse. Mr. McDonald seconded the motion and it passed unanimously.

The resolution is on file in the Board Office.

EASEMENT REQUEST FROM THE CITY OF AMES FOR CONSTRUCTION OF A WATER MAIN. It was recommended that the board approve granting an easement to the city of Ames for the construction and operation of a water main by the city within an area owned by the State of Iowa.

The Board Office explained that the city of Ames requested an easement over land at Iowa State University north of Lincoln Way between Riverside Drive and Duff Avenue. This easement is required for the construction of a 16" water main connection. The main will improve the water distribution to all customers west of Squaw Creek including Iowa State University.

The easement is in standard form and contains a standard liability clause. No cost of the facilities to be constructed within this easement shall be assessed or charged to the State of Iowa.

The easement must also be approved by the State Executive Council.

MOTION:

Mr. Neu moved that the board approve granting an easement to the city of Ames for the construction and operation of a water main by the city within an area owned by the State of Iowa. Mr. Nolting seconded the motion. Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

SECURITY PERSONNEL. The board was asked to approve the commissioning of Dennis Goodemoot, Larry Choat, Gary Reinertson, and Leo McNally as permanent security officers.

Mr. Goodemoot completed the Basic Training for State of Michigan Law Enforcement Officers and the Sixth Intermediate Training School held at the Iowa Law Enforcement Academy on September 21, 1981. Mr. Choat completed the Fifty-Sixth Basic Training School held at the Iowa Law Enforcement Academy on February 23, 1979. Mr. Reinertson completed the Fifty-Second Basic Training School held at the Iowa Law Enforcement Academy on April 21, 1971. Mr. McNally completed the Fifth-Ninth Basic Training School held at the Iowa Law Enforcement Academy on April 27, 1979.

The commissioning of Dennis Goodemoot, Larry Choat, Gary Reinertson, and Leo McNally as permanent security officers was approved by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final Register of Capital Improvement Business Transactions for the period of September 17 through October 21, 1981, had been received, was in order, and was recommended for approval.

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

Department of Residence - Emergency Electrical Systems (8 Dormitories)

Award to: Sweeney-Manning-Seivert, Inc., Granger, Iowa \$63,930.00

The university also submitted a revised project budget reducing the project from \$100,000 to \$78,000 funded by Dormitory System Surplus. This reduction was possible because of the favorable bids received.

Farm Road Improvement - Delaware County (Brayton Memorial Forest)

The Board of Regents had an institutional road project in this year's program to reconstruct farm roads in both Lucas and Delaware Counties. The Iowa Department of Transportation took bids on August 18 on the Delaware County project which involves the Brayton Memorial Forest. Concurrence in award by the executive secretary on behalf of the board was made on September 17 to:

Steger-Heiderscheit Construction, Epworth, Iowa \$ 6,940.00

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

Pearson Hall - Ground Floor Extension

In July the board approved a \$425,000 project funded by Overhead Reimbursement for Use of Facilities. Within that budget was a line of \$120,500 for physical plant work. The majority of the project was bid in July and contracts awarded to three contractors.

The university determined that the project scope would not adequately relieve the space needs of Administrative Data Processing. The space initially planned for storage must be used for data processing operations. This change in function affects heating, ventilating, air conditioning requirements, electrical service requirements, and interior finishes.

The university submitted for approval a revised project budget increasing the scope of the project to \$655,000. Further, the university removed the line for physical plant work, as the increase in scope placed the project well beyond plant force capability for timely completion. The added work will be competitively bid.

Industrial Education II - Second Floor Partial Remodeling

In July the board approved a project titled "Renovation for Graphic Communications" with a budget of \$80,000. The work was to be done by the physical plant. The university now requested approval of an expanded project totaling \$145,000 also funded by Building Repairs. Expansion involves conversion of seven rooms to faculty offices. Further, none of the work will be done now by physical plant labor forces and instead the work will be competitively bid.

The university also requested ratification of its selection of Architect Lawrence D. Gerdes of Ames to furnish design services for the project on an hourly rate basis to a maximum cost of \$13,000.

The Board Office noted receipt of Final Reports on eight projects. Balances on all eight projects were zero dollars.

The board was requested to approve the following new project:

Utilities - Turbine Generator #2 Overhaul

Source of Funds: Overhead Rimbusement for Use of Facilities \$120,000.00

MOTION:

Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for the period of September 17 through October 21, 1981; ratify award of construction contracts made by the executive secretary; approve the revised and amended project budgets; ratify university action on selection of architect; approve the Final Reports; approve the new project; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

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

UNIVERSITY OF NORTHERN IOWA

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

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

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

Changes of Status:

Dr. Donald E. Maypole, from Assistant Professor to Assistant Professor and Acting Head, Department of Social Work, effective August 23, 1981, at a salary of \$23,850.

Dr. Robert Talbott, from Professor to Professor and Acting Head, Department of History, for Spring Semester, 1981, at a salary of \$13,870.

In answer to Regent Neu's comment that the salary for Dr. Talbott appeared to be quite low, President Kamerick noted that this salary was only for one semester.

The changes of status for Dr. Donald E. Maypole and Dr. Robert Talbott were approved by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for September 5 through October 9, 1981, had been received, was in order, and was recommended for approval.

There were no construction contracts approved or recommended nor any new projects.

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

Turbine Generator - Plant #2 - 7500 KW

Approve payment of \$2,008.18 to Brown Engineering Company, West Des Moines, Iowa, for additional services requested by the university which were outside the scope of the original design agreement.

The Board of Regents approved the original design agreement with Brown Engineering for \$240,000 in December of 1978. Brown Engineering requested an extra \$2,008.18 for sewer and gas line relocation and reconstruction. An existing sewer line needed redesign and reconstruction because it was assumed to be adequate when the plans showed the existing sewer line as 8". Subsequent inspection determined the line to be only 6" and therefore a larger line was designed and constructed. The relocation of the gas line involved an engineering review of a number of alternatives including the use of LP gas and a number of alternative routings. These requests were made some time ago and have been in a state of negotiation for almost a year to confirm the appropriate cost and the propriety of the extra claim. Both of these items, as now billed, were felt to be extras and not covered by the original design agreement.

Residence System - Compliance with Fire Safety Report - Emergency Power

In September the university requested permission to negotiate a design agreement with Gilmor and Doyle of Waterloo, Iowa. A contract has been negotiated. The agreement is on hourly rates to a maximum fee of \$11,900. This fee is 8.9 percent of the estimated \$133,000 construction cost. The project will serve seven residence buildings and three dining centers. The fee is in line for a multiple type project.

Fire Alarm Improvements - Price Laboratory School and Emergency Power at Gilchrist Hall

Ratify selection of Gilmor and Doyle, Waterloo, Iowa, to provide professional services to design and prepare plans and specifications for fire alarm improvements at Price Laboratory School and prepare a feasibility study for emergency power in Gilchrist Hall. The fee is on an hourly rate basis to a maximum cost of \$2,455.

MOTION:

Mr. Nolting moved that the board approve the Register of Capital Improvement Business Transactions for the period of September 5 through October 9, 1981; approve payment to a consultant; approve and ratify consultant contracts as shown; and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

President Brownlee then asked board members and institutional executives if there were additional matters to be raised for discussion pertaining to 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 Wednesday, October 21, 1981.

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

CALENDAR HOLIDAYS THROUGH FY 1983. It was recommended that the board approve the proposed calendar of holidays through the end of FY 1983.

The Board Office noted that because New Year's Day, 1983, falls on a Saturday, it will be observed on Friday, December 31, 1982, and is shown in the school's proposed calendar as a 1983 holiday.

The proposed calendar was reviewed by Mr. Bill Snyder in the office of the State Director of Employment Relations. It meets the requirements they have for scheduled holidays under state administered collective bargaining agreements.

MOTION: Mrs. Jorgensen moved that the board approve the proposed calendar of holidays through the end of FY 1983. Mr. Wenstrand seconded the motion and it passed unanimously.

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

President Brownlee 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 School was transacted on Wednesday, October 21, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the period of August 23 to September 19, 1981, were ratified by general consent of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the Register of Capital Improvement Business Transactions for September 1981.

The register contained a single item - an agreement for parking lot construction between the board and the Department of Transportation, Highway Division (IDOT).

A \$200,000 capital project entitled "Site Clearance and Service Building Addition" has been underway at the school for some time and is now virtually complete.

A related project funded from this year's institutional roads program will reconstruct the access roads to the Service Building. Estimated cost of construction is \$70,000. The road project will be bid on December 15, 1981, by IDOT.

State parks and institutional road funds do not pay for parking lot improvements. On the overall project, the school lost some parking and plans to pave a new lot to be bid at the same time as the institutional road project by the IDOT. This joint bidding will save some money on the parking lot construction. IDOT has estimated that parking lot paving will cost \$7,483. The school, with concurrence of the Board Office, plans to use balances in the Service Building Addition project to fund the parking lot pavement.

The agreement between the IDOT - Highway Division and the Board of Regents sets forth the conditions under which the IDOT will include the parking lot project in the institutional road letting. The agreement

further provides that Iowa Braille and Sight Saving School will be responsible for all future parking lot maintenance at no expense to IDOT.

The Board Office recommended approval of the agreement.

The board approved the Register of Capital Improvement Business Transactions for September 1981; approved the agreement with the Iowa Department of Transportation - Highway Division; and authorized the executive secretary to sign the agreement by general consent.

RENEWAL OF FACILITIES USE AGREEMENT WITH VINTON AQUATIC CLUB. It was recommended that the facilities use agreement with the Vinton Aquatic Club be renewed for specified dates between October 7, 1981, and April 7, 1982, inclusive, at a fixed fee of \$428.00 on condition that personal injury and property damage insurance be provided by Vinton Aquatic Club for the protection of the Board of Regents for the benefit of Iowa Braille and Sight Saving School, said insurance to provide a minimum of \$1 million coverage for personal injury and property damage.

The Board Office said the facilities involved in this agreement include the swimming pool, locker rooms, and adjacent areas that will be used by the Vinton Aquatic Club (VAC) on specified dates and for specified hours.

The use of the Iowa Braille and Sight Saving facilities by the VAC, a local community group, is an arrangement of many years standing. The Iowa Braille pool is the only indoor public pool in Vinton. The VAC provides adult supervision in all areas it is using.

The insurance limits of \$1 million personal injury and property damage are the limits of the policy VAC purchases as a part of the Amateur Athletic Union.

The fixed fee of \$428 is less than last year's fee of \$520. The fee meets all expenses incurred by Iowa Braille and Sight Saving School as a result of the VAC use of the facilities. The fee reduction was recommended by the school's staff based on an anticipated participation in VAC by three Iowa Braille and Sight Saving School students. None of the school's students have participated in the VAC in the past.

MOTION:

Mr. Nolting moved that the board approve the renewal of the facilities use agreement with the Vinton Aquatic Club for specified dates between October 7, 1981, and April 7, 1982, inclusive, at a fixed fee of \$428 on condition that personal injury and property damage insurance be provided by Vinton Aquatic Club for the protection of the Board of Regents for the benefit of Iowa Braille and Sight Saving School, said insurance to provide a minimum of \$1 million coverage for personal injury and property damage. Dr. Harris seconded the motion and it passed unanimously.

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

The meeting of the State Board of Regents adjourned on Wednesday,
October 21, 1981, at 1:55 p.m..


R. Wayne Richey
Executive Secretary