

The State Board of Regents met at Iowa State University, Ames, Iowa, on Thursday, October 5, 1978. Those present were:

October 5

Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mr. Barber	All Sessions
Mrs. Belin	Absent
Mr. Brownlee	All Sessions
Dr. Harris	All Sessions
Mr. Shaw	All Sessions
Mr. Slife	All Sessions
Mr. Wenstrand	All Sessions

Office of State Board of Regents:

Executive Secretary Richey	All Sessions
Director McMurray	All Sessions
Director Sonnenschein	All Sessions
Associate Director Caldwell	All Sessions
Miss Van Ryswyk, Secretary	All Sessions

State University of Iowa:

President Boyd	All Sessions
Vice President Brodbeck	All Sessions
Assistant Vice President Small	All Sessions
Director Hawkins	All Sessions
Director Tobin	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 Henry	All Sessions

University of Northern Iowa:

President Kamerick	All Sessions
Provost Martin	All Sessions
Vice President Stansbury	All Sessions
Vice President Voldseth	All Sessions
Director Kelly	All Sessions
Budget Administrator Stamp	All Sessions

Iowa School for the Deaf:

Superintendent Giangreco	All Sessions
Business Manager Kuehnhold	All Sessions

Iowa Braille and Sight Saving School:

Superintendent DeMott	All Sessions
Business Manager Berry	All Sessions

Also attending were: Mr. Larry Purdue of the State Comptroller's Office
Mr. Ethan Towne of the Legislative Fiscal Bureau

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, October 5, 1978.

APPROVAL OF MINUTES OF BOARD MEETING OF JULY 19-20, 1978. The minutes of the July 19-20, 1978, meeting of the Board of Regents were approved as corrected.

TUITION POLICIES AND RATES FOR 1979-1981. The Board Office recommended the board approve the tuition rates as proposed below for the 1979-1981 biennium and that such rates be effective July 1, 1979:

	<u>1977-79</u>	<u>1979-81</u>	<u>Increase</u>	
<u>University of Iowa</u>				
Resident Students				
Undergraduate	\$ 750	\$ 830	\$ 80	10.7%
Graduate	858	950	92	10.7
Medicine	1,320	1,460	140	10.6
Dentistry	1,130	1,250	120	10.6
Law	858	950	92	10.7
Non-Resident Students				
Undergraduate	1,710	1,890	180	10.5
Graduate	1,818	2,000	182	10.0
Medicine	2,970	3,284	314	10.6
Dentistry	2,510	2,760	250	9.9
Law	1,892	2,094	202	10.7
<u>Iowa State University</u>				
Resident Students				
Undergraduate	\$ 735	\$ 816	81	11.0
Graduate	858	951	93	10.8
Veterinary Medicine	1,128	1,248	120	10.6
Non-Resident Students				
Undergraduate	1,701	1,881	180	10.6
Graduate	1,818	2,001	183	10.1
Veterinary Medicine	2,388	2,643	255	10.7
<u>University of Northern Iowa</u>				
Resident Students				
Undergraduate	\$ 694	\$ 774	80	11.5
Graduate	726	818	92	12.6
Non-Resident Students				
Undergraduate	1,320	1,460	140	10.6
Graduate	1,518	1,680	162	10.6

2. That the revenue estimates to the universities' general funds be calculated in the budget request for 1979-81 by using the allocations of student fees and tuition.

The Board Office indicated that the proposed increases in basic tuition rates were identical to those submitted to the board at its September 21-22, 1978, meeting except for a correction for graduate resident students at Iowa State University to make the rate equal to that of the University of Iowa. It was noted that the net yield in general income, after allowing for additional student aid to offset the rate increases as recommended in the "essential needs" category, is \$4 million annually.

The Board Office reported that the allocation of the proposed increases between the universities' general fund and nongeneral fund category had been revised since the board met in September. The revision increased the amount going to the nongeneral fund by the same percentage as the total increase in tuition and fees and reduced general revenue by about \$200,000 below the estimate in the September Board Office proposal. The increases in activity fees (nongeneral fund) at Iowa State University and the University of Northern Iowa would go primarily for women's athletics. A comparable proportion of the increase in fees and tuitions was set aside for the University of Iowa for allocation at a later date (probably June of next year after appropriations are known). The specific amount of the allocations to the various activities as well as to the general fund would be recommended by the university and considered by the board at that time.

The board, the institutions, and the students were quite concerned at the September meeting that an adequate amount be set aside for the increase required in student aid because of the higher rates. With the addition of \$429,000 to the "essential needs" category and with the \$454,478 inflation addition to the base budget request, the amount of monies added to the budget totaled \$883,478 or 20% of the total additional income accruing to the general funds of the institutions. (It was noted that this amount was in addition to the \$422,000 that was set aside for student activities or, in the case of the University of Iowa, for later allocation.) The proposed increases in the student aid budgets were consistent with the amount of additional needs shown in the computer model used by the Board Office and were quite similar to the proposals of the universities. The only exception was that the University of Iowa requested that a 5% factor be used in computing the increase in base budgets for supplies and services (formerly called general expense) attributable to student aid. Mr. Richey commented that he did not recommend the additional amount of \$62,593 requested by the University of Iowa because the amount was included in the base budget request by the board.

Mr. Richey reported that the activity fee allocations recommended by the Board Office were those proposed by the respective institutions. He made particular note of the fact that Iowa State University would be presenting the board a detailed tuition and fee schedule for approval effective July 1, 1979, at this meeting. He stated that the tuition policies and rates for 1979-1981 would change according to those details.

Mr. Richey indicated that some of the specific amounts presented the board for activity fee allocations were reduced in some cases and increased in others. He noted that in past years the graduate students normally have not paid inter-collegiate athletic fees or student government fees. However, the proposal before the board was based on extension of those fees to graduate students as well as to undergraduate students. Because the present proposal applied to a larger number of students, the rates have been adjusted accordingly. The net effect of this adjustment was an increase of approximately \$50,000 to be

placed in an earmarked fund to be used primarily for women's intercollegiate athletics.

Regent Slife said he felt that the board could consider allocation of fees to the various interest groups at a later time than today's board meeting.

Regent Shaw said he preferred a system where students would basically allocate their own fees. He commented he felt students are quite able to make those decisions themselves. He went on to say he felt the board could reduce the student activity fees at the University of Northern Iowa. He noted the proposed increase in nonresident student activity fees for that institution from \$13.50 in 1978-1979 to \$19.50 in 1979-1981. He said he felt the percentage increase appeared high. President Kamerick reported that the total student fee increase proposed was up 10.3%. He reported that the \$5 athletic activity fee included in the student activity fee would go toward women's athletics. He said the institution has no choice, at this point, but to put money into that activity. He reported that, comparatively speaking, student fees are receiving less money than the general fund from increased tuition.

In response to Regent Slife's earlier comment, President Parks said that Iowa State University has always brought in its proposed allocations of student fees immediately after the tuition has been set by the board. He said the university's proposal for allocation of fees was not premature.

President Parks suggested the board view Iowa State University's tuition proposals and student activity fees differently than the other universities. He reported that, for example, the Memorial Union is a private corporation and not owned by the university. He noted that money for the union, however, comes from the student fee obligations. He said he felt the students, then, should make the decisions pertaining to how much student activity fees should be required rather than the Board of Regents. He said students pay for lecturers, concerts, student publications, etc.

Regent Bailey then asked how the University of Northern Iowa and the State University of Iowa take care of their student unions. Vice President Stansbury reported that the student union operation at the University of Northern Iowa is operated with restricted funds and general funds. He noted that the University of Northern Iowa is unlike Iowa State University. Most of the University of Northern Iowa's union needs come from general operations. He noted, however, that student input is considerable.

Vice President Jennings reported that the State University of Iowa's student union is an auxiliary enterprise financially responsible for its own particular operations through income and expenses paid through that income. He noted that there are some academic programs that take place in the union. Vice President Jennings went on to say that while the University of Iowa union is owned by the university, it is a separate entity.

Mr. Richey commented that the tuition rates for the 1979-1981 biennium to be effective July 1, 1979, had already been approved at the board's September meeting as shown above. He reported that the action requested of the board at this time would be limited to calculating revenue estimates to the universities' general funds for 1979-1981 by using the allocations of student fees and tuition as shown on the following page:

REVISED
Tuition and Fees for Undergraduate Students by Purpose GENERAL

October 5, 1978

PURPOSE	Current	1978-79	Proposed	October 5, 1978		Increase
	Resident	Non-Resident	Resident (a)	Non-Res. (b)		
<u>UNIVERSITY OF IOWA</u>						
Debt Service:						
Recreation Building	\$ 7.00	\$ 7.00	\$ 7.00	\$ 7.00	\$ -	
Memorial Union Building	17.00	17.00	17.00	17.00	-	
Auditorium Building	16.00	16.00	16.00	16.00	-	
Subtotal-Debt Service	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	-	
Student Publications	5.00	5.00	*	*		
Other Activity Fees	20.10	20.10	*	*		
Subtotal-Activity Fees	\$ 25.10	\$ 25.10	\$ 32.07	\$ 32.07	\$6.97*	27.
Subtotal-Non-General Fund Fees	65.10	65.10	72.07	72.07	6.97*	10.
Fee to University General Fund					a) 73.03	11.
Fees	\$684.90	1644.90	757.93	1817.93	b) 173.03	11.
TOTAL - TUITION AND FEES	\$750.00	\$1710.00	\$ 830.00	\$1890.00	a) 80.00 b) 180.00	10. 10.

*Unallocated; will be allocated after action on budget by General Assembly

IOWA STATE UNIVERSITY

Debt Service:						
Memorial Union Building	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	-	-
Fieldhouse	21.00	21.00	21.00	21.00	-	-
Subtotal-Debt Service	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	-	-
Student Union Operation	21.00	21.00	*	*		
Other Student Activities	42.00(1)	42.00(1)	*	*		
Subtotal-Student Activities	\$ 63.00	\$ 63.00	\$ 67.50	\$ 67.50	4.50	7
Subtotal-Non General Fund Fees	90.00	90.00	94.50	94.50 ⁽²⁾	4.50	
Fee to University General Fund					a) 76.50	11
Fund	645.00	1611.00	721.50	1786.50	b) 175.50	10
TOTAL - TUITION AND FEES	\$735.00	\$1701.00	\$ 816.00	\$1881.00	a) 81.00 b) 180.00	11 10

(1) Includes \$13.50 Athletic Activity Fee.

(2) Certain activity fees are to be paid by graduate students in 1979-80 that were heretofore allocated to the university general fund. The net effect is that the student activities will share in the same proportion as the general fund in the growth in tuition rates.

UNIVERSITY OF NORTHERN IOWA

Debt Service:						
Student Union Building	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	-	-
Field House	25.00	25.00	25.00	25.00	-	-
Subtotal-Debt Service	\$ 35.50	\$ 35.50	\$ 35.50	\$ 35.50	-	-
Building Fund (unspecified)	9.00	9.00	9.00	9.00	-	-
Student Activity Fees	13.50(1)	13.50(1)	19.50	19.50	6.00	42
Subtotal-Non General Fund Fees	58.00	58.00	64.00	64.00		10
Fee to University General Fund					a) 74.00	11
Fund	636.00	1262.00	710.00	1396.00	b) 134.00	10
TOTAL - TUITION AND FEES	\$694.00	\$1320.00	\$ 774.00	\$1460.00	a) 80.00 b) 140.00	11 11

(1) Includes \$5.00 Athletic Activity Fee.

Regent Shaw asked what process is followed in the board's determining that \$750, for example, should be the total tuition and fees with \$80 of that amount being spent for student fees. President Boyd reported that is strictly a board decision. He stated that the proposals come forward to the university administration in the form of recommendations, and they, in turn, are forwarded to the board. President Boyd commented that the source of funds has no direct relation to the governance responsibilities. He said the mere fact that there is a student fee in a particular building does not put the building under control of that particular constituency other than the fact that some individuals do give money.

President Kamerick reported that the University of Northern Iowa pays particular attention to the students' desires in determining how student activity fees are spent. He agreed that the university and the board have the ultimate control over those fees, but stressed that heavy attention is paid to students' input.

President Parks noted that sometimes the student fee allocation process is not clear to students at Iowa State University. He said a committee reviews all the student activity fee allocations and responsibilities. He reported, however, that students' recommendations are considered in that allocation.

Regent Bailey said he thought that two years ago he got the impression that tuition rates at the State University of Iowa and Iowa State University were going to be the same on an annual basis subject only to the problem of "squaring off to a dollar basis" because of the difference between the quarter and semester system at the respective institutions. He noted the difference in the fee proposals between the two institutions. President Boyd responded by saying the difference in rates was brought about in 1969 when the University of Iowa set its rates higher than Iowa State University. The trend has continued since then. President Parks agreed with President Boyd's recollection and noted that, prior to 1969, the two institutions were "about even" with respect to tuition rates. In 1969, fees were raised \$250 at the University of Iowa and \$225 at Iowa State University. That difference has existed since then, although the gap has been closing slowly. He expressed resistance, however, to increasing Iowa State University's rates to conform to the University of Iowa's, as he indicated students would bear an additional percentage increase in costs then.

Regent Bailey then commented pertaining to Iowa's institutions and out-of-state students. He said it appeared that out-of-state students got a better deal than Iowa students in such arrangements. He said he was not at all sure the board ought to be doing that. He emphasized that Iowa taxpayers support Iowa's institutions and he said he questioned giving out-of-state students a better tuition rate. He reiterated that the reason out-of-state students are attracted in to Iowa's institutions is because of the quality of programs rather than tuition rates. He said that if that is not the case, however, it should be.

President Petersen commented that the board was asking for incremental costs and noted that those costs are comparable with the fees being charged out-of-state students. She went on to say that there are advantages to the "mix" of students from out of state and out of the country in Regents' institutions. She said such a mix adds to the value of the education of the state's students. She went on to say that she did not feel that Iowa taxpayers should be asked to subsidize out-of-state students. She stressed that such students should be attracted because of the institutions' academic excellence rather than the "bargain basement price." She said if the board recovers its incremental

costs, that is all that can be expected. She said she did not feel the board should be waiving out-of-state tuition unless it is forced to do so by a court ruling.

Mr. Richey noted one exception where the state is not paying the full cost of out-of-state students is at the University of Northern Iowa and that was a deliberate decision of the Board of Regents because of the very small number of such students.

MOTION: Mr. Brownlee moved the board approve the tuition rates for 1979-1981 effective July 1, 1979, and calculate the revenue estimates to the universities' general funds in the budget request for 1979-1981 by using the tentative allocations of student fees and tuition as shown above. Mr. Barber seconded the motion and it passed unanimously.

DETAILED TUITION AND FEE SCHEDULE, IOWA STATE UNIVERSITY. The Board Office recommended the board approve the proposed detailed tuition and fee schedule for Iowa State University effective July 1, 1979.

The Board Office reported that the institutional proposal was consistent with the recommendations on tuition rates for the 1979-1981 biennium and the proposed allocation of the proceeds as was approved in the above minutes item.

The university recommended that the student activity fee portion and the intercollegiate fee portion of the Special Fees that are allocated by recommendations from the Government of the Student Body be redefined in such a way that all students, graduates, as well as undergraduates, would pay the fee. President Parks noted that a tremendous amount of work has gone into the redefinition of the student activity fee at the university.

President Parks said Vice President Thielen, Student Affairs, Iowa State University, had reported to him that there was unanimous approval of the Student Senate and the Government of the Student Body for the fee schedule proposed for board approval. President Parks commended Vice President Thielen for the good work he put into this proposal.

President Petersen then called members of the board's attention to a piece of correspondence she received from Mr. Steven G. Colgrove, graduate student, Iowa State University. The letter expressed disagreement with mandatory activity fees on moral grounds. The letter also relayed Mr. Colgrove's feeling that the Government of the Student Body does not represent him or any other graduate students as he felt undergraduates are incapable of fully understanding the problems and concerns of graduate students. He claimed that the only legitimate representative of the graduate students at Iowa State University is the Graduate Student Senate. President Petersen stated that she had responded to Mr. Colgrove's letter by stating she would call his concerns to the attention of the board.

MOTION: Mr. Slife moved the board approve the detailed tuition and fee schedule for Iowa State University effective July 1, 1979. Dr. Harris seconded the motion.

	Adjustments to Maintain 1978-79 Program in 1979-80 <u>(1)</u>	Catch-up & Essential Adjustments <u>(2)</u>	Adjustments to Maintain 1979-80 Program in 1980-81 <u>(3)</u>	Catch-up & Essential Adjustments <u>(4)</u>
Starting Base	<u>\$332,091</u>		<u>\$353,731</u>	
Additions:				
Fac. & Inst. Off.				
Sal.	\$ 713	\$ 231	\$ 672	\$ -
Prof. & Scien.				
Staff Salaries	1,959	105	2,033	-
Gen. Svc. Staff Sal.	2,434	88	2,445	-
Fuel & Pur. Elec.	1,638	226	1,843	-
Supplies & Svcs.	3,202	1,144	3,588	1,144
Eqpt.	191	1,670	339	1,515
Library Books	423	-	479	-
Bldg. Repairs	214	1,029	300	1,290
Essential Program Adj.	-	5,373	-	3,838
Enrollment Incr. Costs	-	-	-	-
Subtotal - Addns.	<u>\$ 10,774</u>	<u>\$ 9,866</u>	<u>\$ 11,699</u>	<u>\$ 7,787</u>
TOTAL		<u>\$352,731</u>		<u>\$372,217</u>
Student Aid				
SUI		\$ 249		\$ 249
ISU		100		100
UNI		50		50
Subtotal - Student Aid		<u>\$ 399</u>		<u>\$ 399</u>
To Board of Regents		\$ 67 ¹		\$ 67 ¹
Continuing Education				
Bachelor of Liberal Studies ²		<u>\$ 250</u>		<u>\$ 250</u>
GRAND TOTAL		<u>\$353,447</u>		<u>\$372,933</u>

¹ Base includes \$67,000 held in reserve at ISD and IBSSS for health insurance premium reallocation.

² Institutional budget bases include \$100,000; request provides a budget level of \$350,000 for 1979-80 and \$1980-81.

Mr. Richey explained his recommendation that the Board of Regents should not consider the issue of enrollment growth for the 1979-1981 biennium before actual fall enrollments for 1978 were available from all institutions. He proposed that an analysis of the enrollment increase costs be made for consideration by the board at its October 18 meeting.

He explained that the second recommendation regarding veterinary medicine out-of-state students on contract pertained to establishment of a special fund for income from additional enrollment on contract. He stated that the recommendation was based on need to use the contract income for veterinary medicine students and the need for the board to authorize the fund for that purpose.

Mr. Richey suggested that the third recommendation pertaining to energy conservation be discussed in connection with the capital request.

Mr. Richey explained that the fourth recommendation pertained to the operating budget request which amounted to \$353.4 million for 1979-1980 and \$372.9 million for 1980-1981. The appropriations request to support the budget request would amount to \$228.9 million for 1979-1980 for an increase of \$13.7 million over the current year. An additional \$14.7 million would be required for 1980-1981. The appropriation increases amounted to a 6% increase for each year. Regent Shaw stated that when the faculty salary increases are included, the increase would be more than 6%. Mr. Richey concurred that the increase in appropriations could come to nearly 11% to 12% when all salary increases are included. He emphasized that the salary categories included only increases in the employer's contribution for social security and IPERS and merit increases for professional and scientific staff salaries and general service staff salaries. No salary increases were included for faculty and institutional officials.

Mr. Richey stated that the changes in recommendations from the September board meeting for the budget request occurred in the essential program adjustment category. In addition, the institutional income was changed to reflect the change in student tuition rates. He reported that the Board Office estimate of an increase in federal appropriations of 5% for the land grant funds for Iowa State University Experiment Station and Cooperative Extension was revised to reflect information the university received from the federal agency involved. The federal agency indicated no growth in funding for the Experiment Station and about a 2.5% growth for Cooperative Extension, which amounted to a difference of about \$25 million in the first year and about \$50 million in the second year.

Mr. Richey called attention to additional information on equipment included in the docket material.

The Board Office reported that at the September meeting a board member suggested that other universities be surveyed to determine the amount of funding for equipment for comparison purposes and for possible support of the board's request. Results obtained from a telephone survey for equipment expenditures in 1976-1977 follow:

University of Iowa	\$ 1,329,000
Iowa State University	585,000
University of Northern Iowa	428,000
University of Kansas	2,700,000
Kansas State University	3,200,000
Purdue University	1,900,000
University of Illinois (Urbana)	1,560,000
University of Missouri (Columbia)	3,600,000
University of Nebraska	1,500,000

It was noted that definitions for classification of equipment were important and it was attempted to eliminate library books, fixed building equipment and equipment purchased as a part of a new building project. It was also attempted to include equipment purchases only from the general educational fund, as supported by state appropriations, tuition income and reimbursed overhead. Some variation in minimum dollar amount for capitalization as equipment may exist.

The Board Office went on to report that even with the larger amounts for equipment in Kansas, the equipment replacement problem was considered so serious that a special appropriation of \$1 million was provided for 1978-1979. Purdue University has a serious need for equipment and is making a special request for additional funding. The State of Illinois Board of Higher Education has received special analytical studies from universities under its jurisdiction which demonstrate equipment deficiencies.

Mr. Richey stated that the two Kansas universities and their funding structure in terms of the general fund are not substantially different from those in Iowa. He compared the University of Kansas with an expenditure of \$2.7 million with the University of Iowa at \$1.3 million, and Kansas State University with an expenditure of \$3.2 million with Iowa State University at \$.6 million and the University of Northern Iowa at \$.4 million.

President Kamerick initiated discussion regarding the possible inclusion of library books in the figures stated in the docket memorandum for the University of Northern Iowa. The above figures reflected correction to exclude library books from figures for Iowa State University and the University of Northern Iowa. President Parks questioned the amount of funding for equipment from the general fund at the University of Illinois at Urbana and suggested that there is probably additional funding from other sources.

Mr. Richey stated that funding for equipment appears to be a very serious problem in some other states that have substantially more money budgeted for that purpose than the Iowa institutions.

President Petersen indicated the board had no objections to the first Board Office recommendation to postpone the enrollment increase funding until October 18. She then directed attention to the second recommendation regarding the additional income from veterinary medicine students on contract.

Regent Shaw expressed concern that the board may be taking more non-resident students at the higher contract rate and turning more resident students away. He asked if this was actually the case or if the increase in out-of-state contract students (from 99 this year to 108 next year to increase to 132) was an obligation. Vice President Christensen explained that an obligation to take more students from out of state was incurred when it was agreed to construct the new building as a part of a federal contract.

Regent Bailey asked if the \$300,000 funding requested for the University of Iowa medical and dental program would go into the Iowa State University base. He asked if the University of Iowa and Iowa State University were both treating the funding in the same way.

Mr. Richey pointed out that the funds from out-of-state students were going into the general fund base, but that only the increases will go into the restricted fund base. All the tuition income for this year will remain in the general fund base of the institution. Similarly, practice earnings at the University of Iowa go into a restricted fund. Mr. Richey stated that the two institutions were treating these funds alike and that the practice earnings at the University of Iowa are under great pressure which will be relieved to some degree by the \$300,000.

President Boyd stated his strong support for the veterinary medicine proposal by Iowa State University. He stated there is no question that the College of Veterinary Medicine needs the support. He stated that medicine and dentistry continue to have problems for which a solution has not yet been reached and would need continued consideration, as well.

MOTION: Dr. Harris moved the board authorize Iowa State University to include additional income from veterinary medicine out-of-state students on contract for restricted programs. Mr. Bailey seconded the motion and it passed unanimously.

President Petersen established that the budget request, including appropriations and institutional income, would be included in the final motion.

B. Institutional Income. The Board Office recommended the board approve estimated institutional income in the amount of \$123,840,000 for 1979-1980 and \$128,630,000 for 1980-1981. Student fee income estimates including the recommended student fee rate increases for 1979-1980 and 1980-1981 were submitted to the board:

<u>Institution</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
		(000's omitted)	
University of Iowa	\$19,157	\$20,994	\$21,165
Iowa State University	20,216	21,353	21,353
University of Northern Iowa	<u>6,424</u>	<u>6,905</u>	<u>6,971</u>
	\$45,797	\$49,252	\$49,489

President Petersen asked about institutional income for the University of Iowa Hospitals. She said she assumed there would be an increase in rate for the next biennium, but asked what proportion. Vice President Jennings stated that the proportions of 26.1% of the budget supported by appropriations and 73.9% by private patients would remain the same in the next biennium. Mr. Richey stated that a moderate hospital rate increase in the amount of approximately 9% (which may vary a percentage point or two) would be expected.

President Petersen asked why the University of Iowa student fee income increased significantly in 1980-1981, but Iowa State University's did not. Mr. Richey responded that the difference related to the summer session. He stated that Iowa State University obtains the full benefit of the tuition income growth in the first year, but the summer sessions for the University of Iowa and the University of Northern Iowa fall so that the increase occurs in the second year.

Regent Bailey asked about the lack of federal funds receipts in the University of Iowa General University and the location of reimbursed overhead. It was explained that federal funds are included in the restricted funds and not in the general fund set forth in the appropriations request material. It was explained that reimbursed overhead on federal grants and contracts were included in "other income."

Mr. Richey reviewed the changes in the recommended essential program adjustments from those tentatively approved in September. He stated that in view of the serious need for equipment, \$1,050,000 more has been added in the second year of the biennium to provide \$500,000 for the University of Iowa amortization of computer costs, \$500,000 for Iowa State University for instructional equipment and \$50,000 for the University of Northern Iowa for science instruction. He stated that the revised recommendation recognized the real problem of the institutions which the equipment formula will not even solve. He stated the revised recommendation included \$300,000 for medicine and dentistry in 1979-1980, which is partially offset by a reduction from \$215,000 to \$115,000 in 1979-1980 in the estimate of the cost of sewer rate increases.

Mr. Richey stated that the veterinary medicine problem was indirectly in the essential needs of Iowa State University through the action taken on the out-of-state contract students. He stated that the women's athletic programs at the University of Iowa and Iowa State University were taken care of through the action on student fees.

The Board Office reported that the revised recommendations responded to the board's suggestions at its last meeting.

President Petersen commented that persons in the Cedar Falls/Waterloo area are particularly concerned about the Women's Center located there. She noted that the Women's Center was previously supported by federal funds which were terminated, resulting in an outcry from the people being served. The university was able to commit institutional funds to continue the program last year with the assurance that the program would be considered in the budget request this year. She stated that there is no question but that this center has served well the women in the Cedar Falls/Waterloo area.

President Kamerick reiterated the program's importance to the board. He added that it was an extremely popular program and expressed a desire to continue the program if a method of funding could be found.

MOTION:

Dr. Harris moved that \$34,000 for the Cedar Falls Women's Center be reintroduced into the budget request for each year of the 1979-1981 biennium. Mr. Slife seconded the motion.

Regent Wenstrand stated that all of the board's programs are worthwhile, but the board has to draw the line somewhere. Regent Shaw expressed a similar view. Regent Harris recognized the women's program as a "people" program. He recognized that the question was whether one should draw the line below the program rather than above. Regent Bailey asked how directly the program related to the university's basic mission and inquired about

MOTION:

Mr. Slife moved that an operating budget request for the Board of Regents' institutions in the amount of \$353,447,000 for 1979-1980 and \$372,933,000 for 1980-1981, as supported by appropriations of \$229,831,000 and \$244,871,000 and institutional income of \$123,616,000 and \$128,062,000 for each of the respective years, be approved subject to consideration of enrollment increase costs. The motion was seconded by Mr. Wenstrand.

It was established that consideration of legislative language regarding fuel and purchased electricity would be included in a separate motion in connection with the capital equipment request.

VOTE ON MOTION: The motion was approved unanimously.

C. Special Purpose Appropriations. The Board Office provided the board a list of special purpose appropriations and explanation of each as follows:

Special Purpose Appropriations

<u>Program</u>	<u>Organizational Unit</u>	<u>Appropriation 1977-78</u>	<u>Appropriation 1978-79</u>
Family Practice	-	\$900,000	\$985,000
Excess Quota Patients	SUI - Univ. Hospital	75,000*	50,000*
Mental Health Res.	SUI - Psychiatric Hosp.	75,000*	75,000
Ethanol Pilot Project	ISU - Gen'l Univ.	-	51,000
Livestock Disease	ISU - Gen'l Univ.	200,000*	200,000*
Land Use	ISU - Gen'l Univ.	75,000	-
Grain, Grading, Testing & Pricing Study	ISU - Ag. Exp. Sta.	-	75,000
Iowa State Coal Research	ISU	500,000	300,000
Heavy Media Cyclone Eqpt.	ISU	-	160,000
Clothing & Transportation	ISD	2,500*	8,000*
Tuition Payments & Transp. Costs	ISD	-	7,000*
Western Iowa Continuing Education	Board Office	100,000	100,000

* Standing Appropriations.

Mr. Richey explained that the information on special purpose appropriations was being provided to the board because the programs will be included in the information prepared for the State Comptroller's Office. He pointed out that the special purpose appropriations (with the exception of Western Iowa Continuing Education) did not originate with the Board of Regents.

The following information was presented by the Board Office:

Family Practice

The statewide system for training family practice residents was implemented in July of 1973 to attract more medical graduates to train as family physicians and to locate in Iowa to practice. In fiscal year 1977, there were 107 family practice residents in seven accredited programs throughout the state.

It was expected that the statewide medical education system will provide a progress report in the near future. It was understood by the Board Office that the appropriations request for training family practice residents will amount to \$1,184,515 for 1979-1980 and \$1,320,017 for 1980-1981, subject to board action.

Excess Quota Patients

A patient quota is determined for each county on the basis of population. Charges for patients in excess of quota cannot be made to appropriations, but are billed to the State Comptroller, who in turn bills the county.

Mental Health Research Fund

The program provides for improvement in care, diagnosis and treatment of adults and children afflicted with mental or emotional illness or mental retardation and for the prevention thereof through research and study.

This program has been supported in the amount of \$75,000 as a standing appropriation and has been incorporated into the base budget for the Psychiatric Hospital for 1978-1979.

This program will be included in the Governor's budget as a special purpose appropriation in order to cite historical data, even though the funding is transferred to the organizational unit.

Production of Ethanol from Grain

The program is to design, construct and test a farm scale ethanol distillery for the purpose of determining requirements for producing ethanol for on-farm fuel needs. The program will be completed during 1978-1979 and no additional funds will be requested.

Livestock Disease Fund

The livestock disease fund was initiated in 1975 for research by the College of Veterinary Medicine to work on the transmissible gastroenteritis problem in swine in the state of Iowa. Subsequently, the program has been expanded to include pseudo-rabies research and testing, as applicable to various food-producing animals important to the health and economy of the people of the state of Iowa. The goal is to reduce or eliminate the animal and dollar losses from the animal diseases recommended by the Iowa Livestock Health Advisory Council.

Land Use

The major purpose of the program was to establish a process for obtaining land preservation policy recommendations from citizens and local governments for consideration by the General Assembly. The program was completed by the Cooperative Extension Service during 1977-1978 and no additional funds are to be requested.

Grain Quality Testing and Grading

The program is to determine the accuracy of quality, grading, shrinkage and moisture discount practices in current use in Iowa in order to determine if improvements can be recommended. The program will be conducted by the Agriculture and Home Economics Experiment Station during 1978-1979 and no additional funds will be requested.

Iowa State Coal Research

The program has been in effect during 1974 through 1978 by the Energy and Mineral Resources Research Institute at Iowa State University for the purpose of establishing methods for surface mining and cleaning Iowa coal to meet environmental standards for both restoration of the land and use of the coal. The institution proposed that the program be continued at a level of \$385,000 in 1979-1980 and \$391,000 in 1980-1981, as supported by state funds. The institution stated that federal funds for the establishment of an Iowa Mining and Mineral Resources Research Institute should be available in the fall of 1978 and will require state matching funds.

Heavy Media Cyclone Equipment

This item pertains to special equipment at a cost of \$160,000 to be expended in 1978-1979, which is applicable to and incorporated in the Iowa State Coal Research Project.

Clothing and Transportation

(Iowa School for the Deaf and Iowa Braille and Sight Saving School)

Pupil needs are supplied by the superintendent who bills the parents. After unsuccessful collection procedures, the school bills the State Comptroller, who in turn bills the county.

Tuition Payments and Transportation Costs

(Iowa School for the Deaf and Iowa Braille and Sight Saving School)

Students residing on state-owned land are entitled to attend public school in the district where such land is located with the costs of tuition and transportation paid by the state treasury. Figures are not shown for Iowa Braille and Sight Saving School on this and the above program because there has been no activity in the account.

Western Iowa Continuing Education

The Board Office reported this program was discussed in September, but required separate documentation in the State Comptroller's Office as a special purpose appropriation.

Regent Shaw received assurance that the funding for the Quad-Cities Graduate Center was included in the budget for the University of Iowa.

October 5, 1978

Regent Bailey asked for clarification on the excess quota patients regarding payment for services by the counties or by the state. President Petersen stated that there was not additional state funding for excess quota patients. She explained that there are certain categories of indigent patients who are automatically sent to the universities, whether or not there is any quota money left. Vice President Jennings stated that the State Comptroller pays the university for care of the excess quota patients and then the State Comptroller, in turn, bills the county for the excess amount.

President Petersen directed attention to the matter of student aid which was included in the essential program adjustments and total budget request approved, but not addressed directly. She stated that it is essential that monies asked for under essential program adjustments provide for the increased cost for students that are incurred due to increases in tuition rates. Mr. Richey stated that the recommendation for student aid was revised to a total increase of \$853,000, as derived from the 7% cost growth requested for supplies and services, and \$399,000, as a request for essential program adjustments for student aid. He stated that the revised recommendation includes, as essential program adjustments, \$249,000 for the State University of Iowa, \$100,000 for Iowa State University and \$50,000 for the University of Northern Iowa.

Mr. Richey stated that the University of Iowa was the only institution that expressed concern for use of the 7% cost growth per year, as included in the budget request for supplies and services, rather than 5%. He stated that the recommendation for the University of Iowa was amended from \$116,000 to \$249,000 and Iowa State University's recommendation was amended from \$90,000 to \$100,000 from the September budget figures. He assured President Petersen that the recommendations were compatible with the results of the computer analysis.

Vice President Jennings pointed out that the total amount requested for student aid was the proper amount, but that if the 7% inflationary increase is not provided, the amount for student aid will be insufficient. President Boyd stated that the matter would be brought back to the board for discussion if the 7% figures are not appropriated for supplies and services.

MOTION:

Mr. Bailey moved that amount of \$249,000 for the University of Iowa, \$100,000 for Iowa State University and \$50,000 for the University of Northern Iowa be included in the budget request for each year of the 1979-1981 biennium as essential program adjustments. The motion was seconded by Mr. Wenstrand and was approved unanimously.

(These amounts totaling \$399,000 were included in the prior motion approving essential program adjustments, as well as approving the overall budget request.)

INTRODUCTIONS. President Petersen introduced Lyle Sonnenschein, budget director, and Barbara Waldron, secretary, both of whom are new employees in the Board Office. She expressed appreciation that Larry Purdue from the State Comptroller's Office and Ethan Towne from the Legislative Fiscal Bureau were in attendance.

CAPITAL IMPROVEMENTS REQUEST FOR 1979-1981. The Board Office recommended the board approve the following:

1. A capital request to the Governor and the 1979 Legislature for fiscal years 1978, 1979 and 1980 totaling \$39,922,000, of which \$20,267,000 would be funded by direct appropriations and \$19,630,000 would be funded from academic revenue bonds.
2. A detailed listing of capital projects, as shown later in these minutes, including the priority order of those projects.
3. Consider the alternatives as regards funding of the Iowa State University share of the construction of a new water pollution control plant by the city of Ames.

The Board Office indicated that a great deal of work has gone on since the September 22 meeting of the board on the capital improvements request. The institutions submitted capital project lists totaling \$59,414,000. A number of those projects involved planning funds prior to requesting construction funds. When all capital implications were considered, including construction funds for those projects, the institutions actually submitted a capital request totaling \$90.8 million. The Board Office reduced this request to \$39,922,000.

One of the issues addressed by the Board Office was the question of Iowa State University's share on construction of a water pollution control plant by the city of Ames. The city of Ames plans early next year to undertake construction of a new water pollution control plant. Estimated cost of this plant is in excess of \$30 million. The federal government will pay 75% of these costs, the state 5%, with the city of Ames and Iowa State University paying the other 20%. Iowa State University's share is currently calculated to cost \$1.9 million. Alternative ways of funding this share included:

1. Direct payment to the city of Ames under a reimbursement option.

Under this option, as the city proceeds with construction and incurs obligations, the city shall render to the university a statement of the amount of any such obligations occurred, and the university shall reimburse the city for the amount involved. It is estimated at this point that the obligations will be \$250,000 in 1978-1979 (to be billed at the beginning of fiscal year 1980); \$250,000 for 1979-1980; \$900,000 for 1980-1981; and \$500,000 during 1981-1982. Under this option, the board could request the funds in the form of a direct appropriation from the 1979 Session for either the full \$1.9 million or in the amount needed during the next biennium of \$1.4 million, with the understanding that an additional request of \$500,000 would be forthcoming to the 1981 Session as final payment.

Alternatively, the board could add the funding of the project to its utility bonding request. Additional tuition replacement funds of about \$45,000 would be needed for 1980-1981, increasing to a maximum obligation of \$231,000 for fiscal year 1981-1982.

2. Payment by the amortization option.

Under this option, the city is requested to secure and provide all capital financing for the project. Upon completion of the project, the city would render to the university a final and detailed statement of the costs of construction. The university's final share would be based upon that final statement of costs of construction and upon the relative or proportional waste water flows contributed by each party during the two consecutive calendar years which includes the calendar year previous to the first year of construction and the calendar year coincident with the first year of construction. The university would then make regular monthly amortization payments to the city, generally over the life of the city bond issue until the university's final share plus interest during amortization is fully paid to the city.

Under this option, there would be no obligation in the 1979-1981 biennium, but it would be necessary to request an operating appropriation annually beginning with fiscal year 1982-1983.

3. The third option would be to not include this need in either the board's capital request this biennium, or in the operating request in 1981, but seek to have the legislature make the appropriation of Iowa State University's share to the appropriate state agency paying the state's cost of the project.

The 1979 legislature will probably have to address the funding of the state's payment of 5% or \$1.5 million and it is possible that the Iowa State University costs could be additive to that appropriation. Some further contacts need to be made with the appropriate state officials in this regard.

The city of Ames is proceeding at this point under the assumption that the board will exercise the reimbursement option, as that is the method by which other joint capital improvements have been financed. If the board chooses to exercise the amortization option, the city needs to be informed of the board's decision as quickly as possible, as the city will need to secure additional financing for the project. It is likely that the city will sell bonds early next year for its share of funding. The major decision that the board needs to make involves whether the capital request to the 1979 Session should be impacted by this project and whether this request would damage the likelihood of the urgent academic needs of the institutions being funded or whether the amortization option should be exercised. The decision is really one of resolving whether the impact would be proportionately greater on future operating requests of the board than in its impact on the current capital request.

Mr. Richey stated that he had reflected on this matter since the memorandum was written for the docket book and now believed strongly that this project should be part of the board's request and funded from academic revenue bonds. The recommendation, therefore, was amended to provide for a capital request of \$41,822,000, of which \$20,292,000 would be in direct appropriations and \$21,530,000 from bonding.

Mr. Richey indicated that the city of Ames did not really have a preference on this matter as long as it knew in advance what the board was going to do.

The board then turned its attention to a review of each institutional request.

University of Iowa

The Board Office reported that the first priority of the university is solution to its space problems in Law, Communications and Performing Arts. There appear to be two basic alternatives to solution of these problems. The first alternative would be to construct an addition to the existing Law Center of about 51,000 gross square feet to solve some of the space problems surrounding the Library and other classroom needs. The Communications problem would be solved by a new building of about 42,000 gross square feet, while the Dance and Dramatics Arts problems would be solved by an addition to the University Theatre of about 25,000 gross square feet. Total solution under this alternative would cost in excess of \$23 million.

The second alternative would be to construct a new Law Center on the east campus of about 113,000 gross square feet with a total cost in excess of \$16 million. The needs for Communications and Theatre would be solved through remodeling the old Law Building for Communications and Theatre, and by adding a floor to the Communications Center for Journalism at a cost of \$7.0 million. This alternative would also cost in excess of \$23 million.

The Board Office recommendation was to fund \$600,000 from academic revenue bonds for planning to select an alternative as the final solution to these problems. Those bonds will be sold at the same time as the utility bonds for the university in early fall of 1979. The Board Office recommended inclusion in the capital request for 1979-1981 of an amount of \$8.4 million to allow Phase I construction of the overall project of \$23 million. This amount of money would be sufficient to fund construction of either an addition to the existing Law Center, the Communications Building or an addition to the University Theatre. Those bonds would be sold separately, when needed, for the project near the end of calendar year 1980.

It was pointed out that if the plan shows that the best alternative is to construct a new Law Center on the east campus, it would then be necessary to return to the 1980 Session for additional academic revenue bond authority of approximately \$8 million so that there would be adequate bonds sold to construct a new Law Center at a cost slightly in excess of \$16 million, less movable equipment needs. When the planning funds are expended, the institution will have a great deal more information upon which to base a request for additional funds than it has at the present time.

The other two academic projects at the University of Iowa involve remodeling of the Chemistry/Botany Building and Macbride Hall. Since the September board meeting, the Board Office altered its recommendation and dropped out the Macbride Hall remodeling from the request and substituted an altered plan to remodel the Chemistry/Botany Building. This altered plan defers about \$1 million in less urgent safety modifications in the building to a later phase and totally funds the remodeling portion of the project, which involves three floors in the southeast wing of the building.

Total cost of the Chemistry/Botany Building project expressed in 1979 dollars is \$2,820,000. This involves \$260,000 in continuation of the safety modifications to the building which were begun this year from institutional funds and from capital appropriations of the 1978 Session. The 1979 Session

October 5, 1978

requested modifications to include stair removals, repair to the entrance deck and installation of a fire suppression system.

The southeast wing of the Chemistry/Botany Building is a five-floor wing. The basement is currently being remodeled for use as a laser laboratory. The fifth floor was remodeled a number of years ago. The other three floors will be remodeled with the intent of providing sophisticated research space for faculty and modern teaching laboratory space. The Board Office considered the alternative of phasing this remodeling, but since the project basically involves a single area of the building, it was determined that the entire project ought to be undertaken at one time to avoid continued disruption of the academic functions in the building.

The safety modifications that were deferred included providing corridor divisions and wall separations in other parts of the Chemistry/Botany Building and providing make-up air modifications to less critical laboratories in the facility. That portion of the project would be disruptive whenever it was undertaken and the institution felt that it could be deferred to a later biennium with the least amount of disruption to the academic program. Further, the most critical functions in Chemistry would be moved to the remodeled space and the institution would be able to get a better handle on the rest of the safety modifications needed in the building after occupying the remodeled space.

In discussion, Regent Shaw pointed out that there were two or three references in the memorandum to resolving the problem for Law, Communications and Performing Arts. He indicated that there were several references to solving the Law problem in the least expensive manner. President Boyd noted that there are several equally serious problems in Theatre, Communications, as well as the Law School. He reported that it is the university administration that is posing the problem in that there has not been acceptance at this point of an addition to the Law School, but the university wants to look at the whole thing so we come out of this with the right answer for all of these problems.

Vice President Jennings noted that the \$600,000 recommended in the first year of the biennium is very important to determine whether or not facilities can be remodeled to accommodate needs of some of the above-noted programs.

Regent Bailey raised concern that the Law School continue to function basically as a law school. He said he does not want the Law School to get into a position too far afield from producing lawyers. Questions were also raised on the location of a new Law School.

President Boyd stated his philosophy on the location of the Law School and concluded by saying that the University of Iowa has a good program in law.

Iowa State University

The Board Office noted that the only changes in the recommendations from the September meeting involved equipment for the Horticulture Addition and the funding of the addition to the library.

In the case of the Horticulture Addition, the movable equipment request included a fixed equipment amount of \$197,805 without alteration to the

October 5, 1978

original request for equipment for the facility of \$1,298,000. The university has worked with the department and reached agreements that other equipment needs of the department beyond the requested amount can be piecemealed in the next few years from operating equipment appropriations.

In the case of the Library Addition, the recommendation was that the board seek funding for this project from direct appropriations, initially, and that it be understood that the board considers this its highest priority for the next biennium. If direct appropriations are not available, the project should be bonded. The recommendation to fund this project from direct appropriations was based upon reaching a better balance on the overall capital request between direct appropriations and bonding authority and assessment of the funding possibilities from direct appropriations. There has also been an increase in the cost of the project by \$100,000 through a shift in the utilities portion of the project that would be required during the 1979-1981 biennium.

The Board Office also provided additional information on the remodeling of the Quadrangle for use by the College of Education and Department of Psychology. It noted that the institution is now utilizing about 35% of the space in the Quadrangle to house certain programs in education and psychology. However, all of these programs are operating in "as is" type of space. The project would also solve other space problems at the university in that the College of Education, when it moves out of Curtiss Hall, would free space for the Departments of Anthropology, Climatology and Meteorology. Also, Old Botany could be razed when Psychology totally moves to the Quadrangle, with a corresponding reduction in institutional operating costs.

University of Northern Iowa

The Board Office noted that it had added to the capital recommendations a project to convert the Little Theatre in Sabin Hall to offices for Economics. This project is in addition to the recommendation on two other remodeling projects previously recommended for the university for 1979-1980.

The first of those projects, Russell Hall Renovations, is a very high priority. The mechanical systems in the building are so bad that damage is occurring to the instruments in music, as well as seriously undermining the quality of the academic program at the institution.

The Wright Hall project involves renovations of the mechanical systems for the entire building and remodels the space occupied in the building by Home Economics. The university noted that the Home Economics Accreditation Report stressed the need for physical improvement. Also, the university stated that the present space, as it is now situated, is experiencing a complete saturation of programs and staff and, short of remodeling, little can be done to make the existing facilities more efficient. Faculty retention and recruitment is also very difficult because of the quality and configuration of the present space.

Also, the Board Office recommendation addressed the urgent problem of the institution to adequately house Art. The total institutional request was for a structure of 67,000 gross square feet at a cost in 1979 dollars of \$4,595,000. The Board Office recommended that the project be initiated through \$250,000 in planning funds in 1980-1981, with the construction funds to follow in the 1981-1983 biennium. The critical portion of the construction.

October 5, 1978

funding involves relocation of the space from a ceramics laboratory and studio which totals about 3,400 net square feet. This space does not meet code standards. It may be necessary to recommend an interim solution to this particular space problem until new space can be constructed. The university is currently examining those alternatives.

The Board Office carefully considered the question of inclusion of something more than the request for planning funds for Speech/Art - Phase II in the current request. When the other needs of the institutions were considered, it was not possible to include construction funds in the Board Office recommendations. Also, even if the Wright Hall and Sabin Hall remodeling projects were dropped from the request and Speech/Art - Phase II construction added, the total capital request recommended would have been \$43.8 million. When the other portions of the capital request were considered, such as increase in tuition replacement appropriations, handicapped accessibility, energy conservation planning funds and probable bonding in the second year, the total capital package of the board for the next biennium would have been well in excess of \$60 million.

The Board Office also amended the capital recommendation by including a \$25,000 deficiency appropriation request for 1978-1979 to cover a storm loss to the UNI-Dome. The UNI-Dome suffered damage from a storm on June 30, 1977. Total loss was about \$141,000, of which \$116,000 was covered by insurance. The Executive Council was requested to authorize payment of the \$25,000 portion of the storm loss not covered by insurance. The council referred the matter to the Attorney General's Office and requested an opinion as to whether it was legal to pay this request from state contingency funds. The Attorney General's Office has responded that contingency funds can be used only for emergency needs which cannot be considered by the General Assembly. Since the repairs were made using other institutional funds, this claim was not classified as an emergency need. It is expected, therefore, that the Executive Council will take the advice of the Attorney General and turn down the request. The university is showing this \$25,000 as a deficiency account. It was the Board Office recommendation that the matter be referred to the 1979 Session of the legislature for consideration.

President Kamerick spoke to the need for a Speech/Art Building - Phase II. He emphasized the building's importance to the future of the university. He also stated that the buildings that are now inhabited by the Art program are not really the type of buildings that should be available for college students. He requested the board's capital list be expanded by one and that the Speech/Art Phase II construction monies be provided within that list. He then introduced Dean Margarete Eby of the College of Humanities and Fine Arts, who also spoke to the need for earlier response to the space problem in Art at the university.

President Petersen, in response to Dean Eby, stated that the inclusion of planning funds in this biennium indicates that the board is making a commitment toward solving this problem and inclusion of planning funds is indication that this project would be among the high priorities that the board would have for the next biennium. She stated that when the board looks historically at what it has done in the last ten years, we have watched problems that have been there a long time go to the top of the priority list and be funded, and then those problems are replaced by equally urgent problems. The board tries to meet those needs in a somewhat systematic way and that it does require

patience to wait until a project comes to the top of the list. Speech/Art is now in that position.

The board then extensively discussed the Speech/Art project, including the Fire Marshal's report on the inadequacies of the facilities in the ceramics area.

The board then turned its attention to the deficiency request of \$25,000 to provide for funding on a storm loss at the UNI-Dome not covered by insurance. Assistant Vice President Madden raised the point that the self-insurance program of the board, where a certain level of losses are accumulated to be presented to the Executive Council at the end of a year, might be somewhat in jeopardy under the Attorney General's Opinion. Mr. Richey agreed that this matter should be reviewed with the Attorney General.

Iowa School for the Deaf

The only change made in the Iowa School for the Deaf request from the September meeting was to add to the Board Office recommendations \$25,000 to permit planning of future recreational facilities' needs at the school. The recently-completed Facilities Master Plan Study shows that those facilities have an estimated project cost of \$825,000. The \$25,000 would allow schematic plans to be developed with the intent that the project would be requested for funding in the 1981-1983 biennium.

Iowa Braille and Sight Saving School

The Board Office made no changes in its recommendations for the Iowa Braille and Sight Saving School from those previously submitted to the board in September.

Utility Needs

The institutions submitted utility projects totaling \$15.8 million. The Board Office had reviewed each of the projects submitted by the institutions and recommended funding by academic revenue bonds of \$10.4 million of those requests. The Board Office sorted out from those requests projects which urgently need to be undertaken at the institutions in the next biennium and those projects which can be deferred with a minimum of risk to a later request.

An integral part of the Board Office recommendation was recognition that all the universities need a certain level of funding for recurring-type utility needs. The only other alternate source of funding is building repairs monies, which, as the board knows, is totally inadequate at the current time. In fact, building repairs monies used for utility projects detract from the basic theory of the life-of-building formula, but have to be used for emergency utility projects if there are no other institutional funds available for this purpose.

The institutions submitted their utility needs in priority order, separate and distinct from the academic needs of the institutions. The Board Office recommendations were based upon specific project inclusions with the understanding that the institutions would, after funding from bonding, have the flexibility to substitute, within the total amount funded, projects which are of a higher priority at that time.

GENERAL

October 5, 1978

The University of Iowa utility needs included two "must do" projects involving construction of sludge handling facilities mandated by Environmental Protection Agency order and improvements in the campus electrical supply system. The latter project must be undertaken concurrently with the construction of the Carver Pavilion I - Phase B project and involve construction of a new west-side substation, extension of the line from that substation to the University Hospitals and looping the system back to the Burlington Street substation to provide a constant power source across the entire campus. The Board Office also recommended \$388,000 in other utility projects in the power plant which involves replacement of the west coal silo, the coal elevator and rebuilding a rotor on a turbine generator. These are the highest recurring utility needs of the University of Iowa at this time.

At Iowa State University, the Board Office recommended funding of \$946,000 in recurring utility needs and an addition to the storm sewer system at a cost of \$805,000. This is slightly more than half the amount requested by Iowa State University for recurring utility needs during the next biennium. While this is probably less than would be an ideal funding level considering the investment in the utility plant at Iowa State, the recommendation was based upon a sort as mentioned above of those most urgent projects which needed to be undertaken during the next biennium, tempered also by recognition of other academic needs of the university, such as the addition to the Library and the remodeling of the Quadrangle. Major projects deferred from the Iowa State University utility list included \$659,000 of the \$759,000 requested for utility extensions for the Library Addition. The Board Office moved \$100,000 of that request to the Library construction request to provide adequate funding for the relocation of utility lines buried under the planned site for the addition. The extension portion of the request can be deferred to the 1981-1983 biennium. Other projects deferred included the improvements in the utility distribution system in the Quadrangle on the basis that the remodeling project itself has not been funded at this time, recognizing that the building is less than 40% occupied by low-level needs at this point. The Board Office feels that this request should be deferred until such time as the \$4.4 million request for remodeling is funded. The Board Office also deferred a project to replace a stoker in a steam generator under the assumption that this project would not be needed if the legislature initiated the comprehensive energy conservation program addressed later in these minutes.

The Board Office reported that one of the major problems at Iowa State University involves electrical systems. The request contained four projects in that regard including building electrical improvements, campus lighting for safety, electrical vault improvements and primary electrical distribution system improvements. Those requests, combined, totaled \$854,000. The Board Office recommended a lump sum of \$360,000 to initiate improvements to the system. The institution would have the flexibility to determine which improvements were most urgent and those funds would, in effect, be used as a supplement to the building repairs budget for this specific purpose. The university will have recurring needs over the next eight to ten years to improve the campus electrical systems.

At the University of Northern Iowa, the Board Office recommended the turbine generator project at a cost of \$3,400,000 and \$598,000 for recurring utility needs, based on the Utilities Master Plan developed by an outside consultant. The turbine generator project will, in constant dollars, yield an operating budget savings of \$273,000 annually. Hopefully, the university can find

GENERAL
October 5, 1978

funds in balances on the Coal-Fired Boiler project to initiate design of the turbine generator early next year, so that a contract for the generator could be awarded concurrently with funding in fall of 1979. The turbine could then be ready for operation during the summer of 1981.

The recurring utility needs at the University of Northern Iowa are those the institution believes to be most urgent at this time. The institution will, however, examine its utility situation in September of 1979, and reassess the priorities based upon the funding.

Vice President Moore asked that there be a revision in the Board Office recommendation on utilities for Iowa State University. He and Mr. William Whitman, Director of the Physical Plant, stated that the most critical need at the university is for improvements in electrical distribution systems including rewiring of several of the major buildings. Vice President Moore requested that the amount for a North Campus Storm Sewer Addition be reduced and that project be phased to provide additional funds for campus and building electrical improvements and lighting. Board members voiced no objection to this suggestion.

University Hygienic Laboratory

The final portion of the capital request involved \$200,000 to plan an addition for the University Hygienic Laboratory on the Oakdale Campus. This was shown as a special program request for 1979-1980, as the Governor and legislature should probably address this need separately from the other capital needs of the board for academic and utility projects. Preliminary indications are that an addition of 18,600 net square feet would be required, which would replace those facilities currently housed in four old houses. Estimated cost of the project is \$3.5 million. If the planning funds were provided in the next biennium, the construction funds would not be requested until 1981. The request for planning funds and the ultimate construction request was put together by a university-wide task force. The Board Office assumed that during the planning process some careful sort will be made of the functions needed to be carried out by University Hygienic Laboratory within its state-wide mission, as well as some determination as to which of those functions should be housed at the University of Iowa, as compared to being housed in Des Moines.

It was noted that there has been some significant relief for the University Hygienic Laboratory through the construction of new laboratory space in the Wallace State Office Building in Des Moines and through a \$970,000 remodeling project in the Hospital Building at Oakdale to relocate hygienic laboratory space which was formerly located in the Medical Laboratory Building. The addition requested for the next biennium would be the final solution to the space problems of the University Hygienic Laboratory.

President Petersen then turned the board's attention to the recommendations on the priority listing of projects. Board members were also furnished additional information relative to the funding of the capital request and the breakdown between direct capital appropriations and academic revenue bonding authority.

President Petersen noted that the board occasionally has pressure groups that form both inside and outside of the institutions in support of certain projects.

Those groups, she said, are very sincere in recognizing a need within their own particular jurisdiction in their own discipline. She said the board needed to recognize that such pressure groups do have legitimate needs, but that the institutions set the priorities and those priorities, in turn, are presented the board. Once the board formulates its priorities, the board has to respond to those pressure groups. She said that she was now referring to a group of persons very interested in an agronomy building. She stated that she told those persons that they would have to wait their turn. There are other projects higher at this point at Iowa State University, and there are a large number of askings for the other institutions which have a higher priority, as well. While the agronomy program is a very important program to Iowa State University and to the state, the board has to recognize that once it sets its priorities, it should not alter its request in response to various pressure groups.

President Parks agreed with what was stated and noted there are also building needs that are crucial to the university which have no pressure groups. He indicated that the board and the university needs to stick very closely to the priorities set by the institutions and by the board.

MOTION:

Mr. Brownlee moved that the board approve a capital request to the Governor and the 1979 Legislature for fiscal years 1978, 1979 and 1980 totaling \$41,822,000, of which \$20,292,000 would be requested in direct appropriations and \$21,530,000 in academic revenue bonding authority; and that the board approve the detailed list of capital projects as shown below, including the priority order of those projects. The motion was seconded by Mr. Barber and passed unanimously.

Mr. Richey stated that Mr. McMurray had asked him to express to the board appreciation from the Board Office for the responsiveness and cooperation of the institutions in furnishing extensive additional information requested in a timely manner.

The following tables display the capital request of the board as adopted:

BOARD OF REGENTS' CAPITAL REQUESTS
FISCAL YEARS 1978, 1979 and 1980

(000's omitted)

Summary of Capital Programs

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>	<u>Total Request</u>
A. Deficiency Appropriation Request for 1978-79	\$ 25	\$ --	\$ --	\$ 25
B. New Construction, Remodeling and Equipment				
Appropriations	\$ --	\$19,792	\$ 275	\$20,067
Academic Revenue Bonding		<u>605</u>	<u>8,485</u>	<u>9,090</u>
Total	\$ --	\$20,397	\$ 8,760	\$29,157
C. New Academic Revenue Bonding Authority for Utility Needs				
University of Iowa	\$ --	\$ 4,725	\$ --	\$ 4,725
Iowa State University	--	3,675	--	3,675
University of Northern Iowa	--	<u>4,040</u>	--	<u>4,040</u>
Total Utility Bonding Requested	\$ --	\$12,440	\$ --	\$12,440
D. State-wide Health Services Request (State Appropriations)	\$ --	\$ 200	\$ --	\$ 200
TOTAL CAPITAL REQUESTED	<u>\$ 25</u>	<u>\$33,037</u>	<u>\$ 8,760</u>	<u>\$41,822</u>

Funding

Appropriations	\$ 25	\$19,992	\$ 275	\$20,292
Academic Revenue Bonding	--	<u>13,045</u>	<u>8,485</u>	<u>21,530</u>
TOTAL CAPITAL PROGRAMS	<u>\$ 25</u>	<u>\$33,037</u>	<u>\$ 8,760</u>	<u>\$41,822</u>

DETAILED LISTING OF CAPITAL PROJECTS

<u>Institution</u>	<u>Project</u>	<u>Project Request</u>		
		<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
<u>A. Deficiency Request for 1978-79</u>				
UNI	Insurance Shortfall on Storm Loss	\$ 25	\$ --	\$ --
	Total Deficiency Request	<u>\$ 25</u>	<u>\$ --</u>	<u>\$ --</u>
<u>B. New Construction, Remodeling and Equipment (Listed in Priority Order)</u>				
ISU	Movable Equipment for Buildings Under Construction			
	A. Music Building	\$ --	\$ 918	\$ --
	B. Horticulture Addition	--	1,298	--
ISU	Library Addition - Phase I Construction and Utilities Relocation	\$ --	\$ 8,100*	\$ --
SUI	Planning Funds for Law, Communications and Performing Arts	\$ --	\$ 605**	\$ --
SUI	Phase I Construction - Law, Communications and Performing Arts	\$ --	\$ --	\$ 8,485**
ISU	Renovation of Old Veterinary Quadrangle for use by College of Education and Department of Psychology	\$ --	\$ 4,400	\$ --
UNI	Russell Hall Renovations	\$ --	\$ 370	\$ --
ISD	Vocational Building Addition and Equipment	\$ --	\$ 660	\$ --
UNI	Speech/Art - Phase II - Planning Funds (5% of total project cost of \$4,595)	\$ --	\$ --	\$ 250
SUI	Chemistry/Botany Safety Modifications - Phase II and Functional Remodeling			
	A. Safety - Phase II	\$ --	\$ 260	\$ --
	B. Functional Remodeling	--	2,560	--
UNI	Wright Hall Renovations	\$ --	\$ 700	\$ --
UNI	Sabin Conversion of Little Theatre to Offices	\$ --	\$ 120	\$ --
IBSSS	Service Building Addition and Site Clearance	\$ --	\$ 330	\$ --
ISD	Recreational/Physical Education Expansion			
	A. Pool Expansion	\$ --	\$ 76	\$ --
	B. Planning Funds for Recreational Facilities (3% of estimated project cost of \$825)	\$ --	\$ --	\$ 25
Total Capital Request		\$ --	\$20,397	\$ 8,760
Less: Academic Bonding Proposed as Alternative			(605)**	(8,485)**
APPROPRIATIONS REQUEST		<u>\$ --</u>	<u>\$19,792</u>	<u>\$ 275</u>

GENERAL
October 5, 1978

C. Academic Revenue Bonding Authority for Utility Needs of Universities for 1979-81 (Listed in Priority Order)

ISU	Pollution Control Plant Share	\$ --	\$ 1,900	\$ --
SUI	Sludge Handling Facilities	\$ --	\$ 1,855	\$ --
SUI	Campus Electrical Supply Renovation	\$ --	\$ 2,445	\$ --
UNI	Turbine Generator (Plant #2)	\$ --	\$ 3,400	\$ --
ISU	General Utility Projects			
	A. South Campus - Condensate Return System Improvements	\$ --	\$ 115	\$ --
	B. Campus Steam Main Improvements	--	241	--
	C. Heating Plant - Replace Station Power - Phase I	--	230	--
	D. Campus and Building Electrical Improvements and Lighting	--	807	--
	Subtotal - General Utility Projects	\$ --	\$ 1,393	\$ --
UNI	Miscellaneous Utility Updating			
	A. Steam Line Improvements	\$ --	\$ 158	\$ --
	B. Relocation of Steamline C-40	--	140	--
	C. Electrical System Improvements - Phase I	--	300	--
	Subtotal - Misc. Utility Updating	\$ --	\$ 598	\$ --
SUI	Power Plant Replacements and Renovations			
	A. Replace West Coal Silo	\$ --	\$ 123	\$ --
	B. Replace Coal Elevator	--	153	--
	C. Rebuild Rotor on Turbine	--	102	--
	Subtotal - Power Plant Projects	\$ --	\$ 388	\$ --
ISU	North Campus - Storm Sewer Addition	\$ --	\$ 358	\$ --
	Administrative Charges for Utility Bonding	\$ --	\$ 103	\$ --
	New Academic Revenue Bonding Authority for Utilities for 1979-81	<u>\$ --</u>	<u>\$12,440</u>	<u>\$ --</u>

D. State-wide Health Services Request

SUI	State-wide Health Services - Addition to University Hygienic Laboratory - Planning (5% of \$3.5 M project)	\$ --	\$ 200	\$ --
	Total Health Services Request	<u>\$ --</u>	<u>\$ 200</u>	<u>\$ --</u>

* ISU Library Addition would be proposed from direct appropriations, but strongly supported from bonding if unable to obtain from direct funding.

** The board proposes bonding for academic buildings as follows:

<u>1979 Sale:</u>	University of Iowa:		
	Planning Funds for Law, Communications and Performing Arts		\$ 605
	(To be sold with utility bonds in fall of 1979)		
<u>1980 Sale:</u>	University of Iowa:		
	Phase I Construction - Law, Communications and Performing Arts		\$ 8,485
	(To be sold December, 1980)		

October 5, 1978

REQUEST FOR TUITION REPLACEMENT APPROPRIATIONS FOR DEBT SERVICE FOR ACADEMIC REVENUE BONDS FOR 1979-1981. The Board Office recommended the board request tuition replacement appropriations of a maximum amount of \$4,250,000 for fiscal year 1979-1980 with the understanding that the request would be reduced if bonding authority of \$13,045,000 is granted, as requested, and that the request for 1980-1981 be \$4,550,000 for presently outstanding bonds and an additional \$200,000, if full bonding authority of \$21.5 million is granted as requested for the biennium.

The Board Office reported that tuition replacement appropriations are made by the General Assembly to pay debt service on outstanding academic revenue bonds. The General Assembly has, since 1969 when it authorized the Board of Regents to first issue revenue bonds for construction of academic facilities, appropriated funds to reimburse the institutions for tuition and fees used for debt service for such bonds. The Board of Regents initially issued \$34,780,000 in bonds. Of those issues, the board has made principal payments totaling \$10.7 million through June 30, 1978. The current principal outstanding is \$24.1 million. These bonds retire at the rate of \$1.7 million annually. In addition, the board sold \$15,515,000 in academic revenue bonds in fiscal year 1977-1978. The first principal payments on those bonds are to be made in fiscal year 1979-1980 in the amount of \$640,000 and this amount increases to \$875,000 in fiscal year 1980-1981. Those bonds will then be retired annually by \$875,000.

A tuition replacement appropriation of \$4,250,000 for 1979-1980 and \$4,550,000 for 1980-1981 was requested for payment of principal, interest and required reserves on existing bonds. Total debt service payments of \$4,795,902 are to be made in 1979-1980 with the institutions earning \$545,902 of that amount. During 1980-1981, debt service payments, with the increased principal retirement, rises to a maximum of \$4.9 million with the institutions earning about \$400,000 and the remainder coming from state tuition replacement appropriations.

The Board Office proposed to issue \$13,045,000 in new academic revenue bonds during fiscal year 1979-1980. An average interest rate of 5.6% was assumed on these bonds as well as a rather conservative 8% rate on earnings on investment of bond proceeds and reserve fund proceeds. Sale of those bonds would be sometime in the early fall of 1979. The only debt service payment for 1979-1980 would be interest and reserve fund requirements. In 1980-1981, there would be a full year of interest payments and corresponding reserve fund requirements. It appears that the overall tuition replacement request could be reduced with the sale of new bonds because of the high rate of return on investment of cash flow by about \$119,000 in 1979-1980. However, there would be an increase in tuition replacement needs of about \$203,000 on those issues for 1980-1981. The board also proposed to issue \$8,485,000 for the University of Iowa project in late 1980. These funds would also yield to a higher return than is needed to pay debt service payments during 1980-1981 but the maximum increase in tuition replacement appropriations needed would be about \$200,000 or \$4,750,000 for 1980-1981. All figures are net of earnings on investment of bond proceeds which are utilized for debt service prior to any request for state funds.

The new bonding authority would require a maximum tuition replacement appropriation of \$6 million in fiscal year 1982-1983, which is about \$2 million above the maximum programmed in the next biennium (1980-1981) of \$4.7 million. Maximum principal outstanding would occur in fiscal year 1980-1981, when the

GENERAL
October 5, 1978

board would have \$54.5 million in academic revenue bonds outstanding. That amount would reduce to \$39.7 million in 1984-1985, which is approximately the same level as was present in fiscal year 1977-1978.

MOTION:

Dr. Harris moved the board request tuition replacement appropriations of the maximum amount needed of \$4,250,000 for fiscal years 1979-1980 and \$4,750,000 for fiscal year 1980-1981, with the understanding that these requests would need some adjustment depending upon the additional bonding authority granted to the board during the 1979 Legislative Session. Mr. Bailey seconded the motion and it passed unanimously.

The following table displays funding requirements as adopted by the board:

TUITION REPLACEMENT APPROPRIATIONS FUNDING REQUIREMENTS

State Board of Regents

(\$000)

Fiscal Year	Appropriations For			Total Requirements	Principal Outstanding as of June 30				Total
	Presently Outstanding Bonds	Proposed \$13.0 M Issues 1979	Proposed \$8.5 M Issue 1980		\$34.8 M Original Issues	\$15.5 M 1977 Issues	Proposed \$13.0 M Issues 1979	Proposed \$8.5 M Issue 1980	
1976-77	\$3,300	\$ --	\$ --	\$3,300	\$25,850	\$	\$	\$	\$25,850
1977-78	3,180	--	--	3,180	24,120	15,515	--	--	39,635
1978-79	3,465	--	--	3,465	22,390	15,515	--	--	37,905
*1979-80	4,250	(119)	--	4,131	20,660	14,875	13,045	--	48,580
*1980-81	4,550	203	(67)	4,686	18,930	14,000	13,045	8,485	54,560**
1981-82	4,335	1,439	86	5,860	17,200	13,125	12,325	8,485	51,135
1982-83	4,160	1,559	923	6,642	15,470	12,250	11,600	7,990	47,310
1983-84	3,965	1,499	1,011	6,475	13,740	11,375	10,875	7,520	43,510
1984-85	3,770 ¹	1,441 ²	973 ³	6,184 ⁴	12,010 ⁵	10,500 ⁶	10,150 ⁷	7,050 ⁸	39,710

* Request to 1979 Session.

** Does not include X\$ for energy conservation program.

1 - Declines at rate of \$195,000 per year.

2 - Declines at rate of \$58,500 per year.

3 - Declines at rate of \$38,000 per year.

4 - Declines at rate of \$291,500 per year.

5 - Pay out in 1994.

6 - Pay out in 1997.

7 - Pay out in 1999.

8 - Pay out in 2000.

NOTE:

a. \$13,045,000 issues would fund \$12,440,000 university utility needs and \$605,000 SUI planning project. Sales in Fall, 1979.

b. \$8,485,000 issue would fund start of space additions alternative at SUI. Sale in December, 1980.

GENERAL
October 5, 1978

REQUEST FOR CAPITAL FUNDS TO MAKE FACILITIES ACCESSIBLE TO HANDICAPPED PERSONS. The Board Office recommended the board request the Governor and legislature to provide state funds totaling \$3,525,000 for final implementation of a statewide need to make state facilities accessible to handicapped persons. The Board of Regents would advocate this program and budget presentations before various groups including the Governor and the legislature, but as has previously been the case, the request would not be a direct part of the Board of Regents' 1979-1981 capital request.

Tentative allocation of the request would be as follows:

University of Iowa	\$ 855,000
Iowa State University	1,240,000
University of Northern Iowa	925,000
Iowa School for the Deaf	230,000
Iowa Braille and Sight Saving School	<u>275,000</u>
TOTAL	\$3,525,000

The handicapped accessibility program presented to the board was similar to that given in September with the following exceptions:

1. The program at the University of Northern Iowa includes two additional buildings; these being access to the Cultural Center and to the instructional areas of Strayer-Wood Theater. The latter building is a new structure for which access to the lower areas was not required by the State Building Code; however, 504 regulations appear to require either making this area accessible which involves make-up rooms, a performer reception area, costume design and stage design or provide those functions elsewhere on campus in accessible space. It appears that the only alternative would be to construct an elevator to the lower areas of Strayer-Wood Theater at a cost of about \$80,000.
2. The complete program for Iowa School for the Deaf totals about \$300,000. The request, however, can be reduced by about \$70,000 because the school already has about \$30,000 allocated to it for this purpose from 1977 funds and through reducing out of the program about \$40,000 for modifications needed in the Vocational Building, since those modifications can be made in the capital project for a Vocational Building addition.
3. A slight reduction in the amount allocated to Iowa Braille and Sight Saving School was made after more careful review of the program.

The handicapped accessibility program was initiated by a direct appropriation to the Board of Regents of \$500,000 in the 1976 Session and continued through a capital appropriation of \$935,000 in 1977. These funds were used to make modifications to a total of 49 buildings on the campuses. The major cost center in those modifications was the installation of ten elevators.

The \$3,525,000 appropriation would be used to make major modifications to 23 buildings at the University of Iowa and addition of an accessible water fountain in 19 other buildings. It would modify 32 buildings at Iowa State University including installation of six new elevators. The University of Northern Iowa would modify 14 additional buildings including installation of eight new elevators. Major cost element in the University of Northern Iowa program involves modifications to Price Laboratory School for which there are

October 5, 1978

some very serious accessibility problems due to the type of construction. The Iowa School for the Deaf program would modify seven buildings with the eighth building, the Vocational Building, being modified through the capital request. Elevators would be put into four buildings: the high school building, the lower elementary building, primary hall and the infirmary. At Iowa Braille and Sight Saving School, seven buildings would be modified including installation of an elevator in each of the three dormitories and provision for access to the tunnel system for handicapped persons.

This appropriation would, as nearly as the Board Office could tell, be the final request to the legislature for this statewide program for Board of Regents' institutions. All five campuses would be basically accessible in accordance with the plan drawn up by the institutions and basically in accord with Section 504 regulations. Additional modifications might have to be made to certain other buildings in the future, depending upon student or employee needs; however, it is likely that those requests would be made part of the individual institutional capital requests and not part of an overall handicapped accessibility request.

The institutions have not, at this point, prioritized their needs within the total amount of money requested. The board was, however, presented the total cost of compliance with Section 504 according to the institutional transition plans. If the institutions did not receive the full amount requested, there would be a need to prioritize the requests recognizing at the same time that the institutions could not reach full compliance with the transition plans drawn up in accordance with Section 504 of the Rehabilitation Act of 1973.

The Board Office also provided the board a progress report on the barrier removal program at each of the universities.

In discussion, Mr. Richey pointed out that the board did tentatively approve this matter at its September board meeting at a slightly higher level (that of \$3,600,000).

Regent Wenstrand asked if the legislative and executive branches were aware that this request was coming to them. Mr. Richey stated that he received a letter from the Governor earlier in the week addressed to all department heads calling Section 504 to the attention of department heads and expressed the hope that all agencies would take measures to comply with it. He reported back to the Governor that the Board of Regents has been working on this matter for quite a while and this is part of that effort. He stated that the Governor has been very supportive of this program in the past. Mr. Richey noted that while this is a large amount of money, the board probably has a legal obligation to request these funds until such time as the federal government sees fit to relax the deadline for facilities' modifications in the Section 504 regulations.

President Petersen stated that there may be some federal funds available for this purpose. Mr. Richey stated that the state request would be cut by whatever federal funds are available, as there is certainly a realization that this amount of money encroaches on the other facilities' needs of the institutions.

MOTION:

Dr. Harris moved that the board request the Governor and the legislature to provide state funds totaling \$3,525,000 for final implementation of a statewide need to make state facilities accessible to handicapped persons. Mr. Slife seconded the motion and it passed unanimously.

REQUEST FOR CAPITAL PLANNING FUNDS FOR ENERGY CONSERVATION PROGRAM. The Board Office recommended the board:

1. Request \$750,000 in direct capital appropriations from the 1979 Legislative Session, with those appropriations to be made as early as possible in the session, from current year appropriations to permit detailed planning for a comprehensive energy conservation program at Board of Regents' institutions.
2. Request the legislature to incorporate into the operating appropriations bill language which would:
 - a. establish the fuel and purchased electricity budget at the 1978-1979 level, as adjusted for the University of Northern Iowa additional needs, annual price inflation for energy and increase in building space;
 - b. request permission to expend any energy funds remaining which are in excess of the adjusted fuel and purchased electricity budgets during 1978-1979 and 1979-1981 for energy conservation purposes solely;
 - c. incorporate language that provides that fuel and purchased electricity funds shall not revert, except on a four-year basis, which is the same time period that is granted for expenditure of capital appropriations.

The Board Office noted that in a report presented to the board at its September meeting, the institutions presented a comprehensive energy conservation program which has an estimated cost of \$20 million. Based upon evidence gathered in similar situations around the country, the Regents' institutions should be able to reduce their consumption of energy by 25% to 35% when the program is fully implemented. This could mean a direct cost avoidance for the three universities in fuel and purchased electricity in the neighborhood of \$4 million annually and also deletion of about \$6.5 million in capital utility projects at Iowa State University alone.

The program has two features: 1) implementation of a central control system and monitoring on each of the campuses and 2) a retrofit of existing systems in buildings on the campuses. The average cost per gross square foot for controlling and monitoring is about 68¢, while the average cost for retrofitting is \$1.36 per gross square foot. Evidence gathered at this point shows that by an investment of \$2.04 per gross square foot, a return in cost avoidance of 48¢ per year is realistic. Thus, the investment could be returned in under five years.

Section 17 of Senate File 2125, which is the operating appropriation bill for fiscal year 1978-1979, reads as follows:

October 5, 1978

The intent of the general assembly in appropriating funds pursuant to Section 7 of this act is to provide additional funds if needed during the 1979 session of the general assembly for the purchase of fuel and electricity, if the cost for fuel and electricity will exceed \$14,282,000 for 1978-79. Any funds remaining which are in excess of such estimated fuel and electricity costs during 1978-79 may be used for other purposes, such as maintenance, equipment and miscellaneous purposes.

As an integral part of the program, the Board Office proposed that the legislature be requested to amend the above language in the operating appropriations bill for 1979-1980 to incorporate recommendation #2 above.

Funding for the program would come through a three-step process beginning with:

1. A direct appropriation from the 1979 Session of \$750,000 for the purposes of developing a detailed set of plans on as much of the \$20 million program as is possible within the appropriation level. This appropriation needs to be made as early as possible in the 1979 Session and funded from 1978-1979 appropriations so that planning can progress to a sufficient stage by the fall of 1979 so that an asking can be made to the 1980 Session for the second step of funding.
2. The 1980 Session would be requested to either authorize about \$12 million in academic revenue bonds or \$8 million in direct appropriations to initiate the implementation of the energy conservation program at the three universities. The exact amount of the request to the 1980 Session cannot be determined until after the detailed plans have been finalized. The Board Office strongly leaned toward the bonding approach for the program although the exact amount of those bonds is yet to be determined.
3. In addition to the initial money provided by the state, the legislature would have agreed by the above action in the operating appropriation bill to the "rollover" principle whereby all funds not needed for fuel and purchased electricity would supplement funds for the energy conservation program. It was felt that the \$20 million program could, in seven years, yield savings of sufficient magnitude to fund the difference between a \$12 million bonding program and a \$20 million energy conservation program. At the end of the period, the institutions and the state would have about \$4 million in freed funds, less debt service payments, to allocate to Board of Regents' programs and/or other state programs.

Regent Shaw proposed (at the September board meeting) a slightly different approach to funding the program which had these essential features:

1. There would be a clear separation between fuel and purchased electricity budgets and an energy conservation program. This would be accomplished by line-iteming the amount for fuel and purchased electricity annually with any savings involved through energy conservation programs reverting to the state on an annual basis.
2. The energy conservation program would be funded on an incremental basis through bonding with the state paying debt service costs in the normal manner of tuition replacement appropriations.

3. If additional bonding were needed to fully implement the program after the 1980 authority, the legislature would be requested to authorize that bonding, when needed, in the same manner as any utility or academic bonding is requested.

The primary advantage of the above proposal was that it does allow the "pass through" concept to be undisturbed and allows the legislature to spend any savings gained through energy conservation for any type of state need annually. It also permits legislative and executive commitment to energy conservation programs to be tested any time a request comes forward for additional bonding authority to administer a program. The institutions, however, find the proposal lacking in terms of gaining institutional commitment to a program of energy conservation. Under the so-called "campus incentive argument," the institutions would, along with the board, the Governor and the legislature, commit to a comprehensive energy conservation program for a limited number of years with the understanding that there would be a significant savings at the conclusion of the program that could be reallocated for other institutional needs. The institutions would be in a far better position to sell energy conservation if everyone on the campus was made aware that a program could mean savings in the neighborhood of \$4 million per year which might be put into other institutional needs. In addition, the "rollover" approach allows the complete program to be implemented with money being provided by the state in the form of direct appropriations for 40% of the amount, with 60% provided from the savings or in the case of bonding authority of \$12 million, \$4 million would be paid out in debt service payments and 60% of the program would be financed from savings.

The Board Office reported that it found the campus incentive argument to be persuasive, since the personnel at the institutions must live under comprehensive energy conservation program conditions. Those conditions might be more tolerable if the institutional personnel realize that were an energy conservation program not initiated, fuel and purchased electricity budgets would continue to grow to detract from other operating and capital needs of the institutions. There is no question but that the "rollover" approach would require the 1979 Legislature to agree to a set of conditions in the operating appropriation bill that are more complex than the proposal made by Regent Shaw. The legislature, at the same time, would be making a greater initial commitment to energy conservation at Board of Regents' institutions for the state than would be necessary under the Shaw proposal. Under either proposal, the legislature and the Governor would have an opportunity to review that level of commitment no less than biennially as it would be necessary for similar language to be put in every operating appropriation bill hereafter.

The Board Office indicated that the program did not include Iowa School for the Deaf, Iowa Braille and Sight Saving School nor the University Hospitals. Energy conservation programs for those institutions will be considered at a later date after initiation of the programs for the universities.

The \$750,000 planning appropriation requested of the 1979 Session would be supplemented to the extent necessary by any institutional savings in fuel and purchased electricity budgets in the current year and fuel and purchased electricity savings for the current year could only be used for energy conservation purposes.

Mr. Richey stated that the recommendation for planning funds had been reduced from \$1 million to \$750,000 from that presented the board at its

September meeting. He stated that the \$1 million would have planned almost the entire project and that the reduced amount will plan the initial phase of the program and should be enough to get a base upon which to request construction funding in the 1980 Session. He noted that Regent Shaw was concerned about the complexity of the approaches recommended and that his initial reaction was to be sympathetic to his concern. He stated that the most persuasive factor in reaching his conclusion was the incentive factor. If the institutions have interest in energy conservation, they are more likely to do something about it. Also, the state has the alternative biennially to recapture any funds saved for use for general fund needs. Probably, though, the board would be in a better bargaining position to get some of its needs recognized since the money would be available in the budget for reallocation. Mr. Richey said he realized the approach recommended was more complex.

Regent Shaw stated that he would still urge the other approach. He noted that he was a little disillusioned that the board, in effect, would take a position that it needs dollar incentives in order to do what it should do anyway. He noted that President Carter urged passage of his energy policy as being a "moral equivalent." What we appear to be doing, however, is the moral equivalent of "throwing in the towel as a nation." He stated that we have had figures from other universities that show there is a lot more to be done than Iowa has done in this area. Those institutions have made a lot of progress but noted his own argument did not really rest upon philosophy as much as practicality.

Vice President Jennings stated that the board was establishing a standard budget with the dollars adjusted for inflation and for additional buildings so that it was locking itself into using less BTUs per square foot than are presently being used. The only way that savings can actually be accomplished is to drive down the BTUs per square foot. He stated that the board has proposed to keep the "pass through" concept, but it is also trying to develop the concept that Iowa-Illinois uses; namely, to keep surpluses and deficits and balance them out over a period of time, rather than over a single year. Right now, if there is a surplus, the board has to get rid of it all in a particular year. We cannot get rid of it in the next year.

Vice President Jennings noted that heretofore the institutions have been able to build in some natural growth but eventually under the proposal if you are going to put in an electron microscope, for example, an institution would have to reduce usage elsewhere on campus so that the BTUs per square foot are reduced on the overall campus-wide basis.

In discussion, it was noted that the Board Office recommendation should have had these additional features which were originally approved by the board at its September 21-22 meeting:

1. That the reallocation procedure for fuel and purchased electricity for 1978-1979 be as follows:
 - a. budget deficits to be covered by surpluses in the fuel and purchased electricity accounts of other institutions prorated on the basis of amounts of surplus;
 - b. remaining surpluses to be retained by each institution for investment and energy conservation measures.
2. That the "pass through" policy be retained.

October 5, 1978

Vice President Moore noted that for the past three or four years the board has been trying to implement an energy conservation program. He said that we now have a self-liquidating proposal that should place the board in a little better position than previous approaches.

Mr. Richey reminded the board that the proposal involved the possible issuance of \$12 million in bonds. The other \$8 million of the \$20 million program would be funded from energy savings after debt service in bonds is paid. His current thinking is that 12-year bonds would be issued with the principal being in ten even payments and deferral of principal payments until the projects are in place and savings begin to accrue.

MOTION:

Mr. Brownlee moved the board request \$750,000 in direct capital appropriations from the 1979 Legislative Session, with those appropriations to be made as early as possible in the session from current year appropriations to permit detailed planning for a comprehensive energy conservation program at Board of Regents' institutions; request the legislature to incorporate into the operating appropriations bill language which would: a) establish the fuel and purchased electricity budget at the 1978-1979 level, as adjusted for the University of Northern Iowa additional needs, annual price inflation for energy and increase in building space; b) request permission to expend any energy funds remaining which are in excess of the adjusted fuel and purchased electricity budgets during 1978-1979 and 1979-1981 for energy conservation purposes solely; c) incorporate language that provides that fuel and purchased electricity funds shall not revert, except on a four-year basis, which is the same time period that is granted for expenditure of capital appropriations; d) that the reallocation procedure for fuel and purchased electricity for 1978-1979 be that budget deficits are to be covered by surpluses in the fuel and purchased electricity accounts of other institutions pro-rated on the basis of amounts of surplus and remaining surpluses are to be retained by each institution for investment and energy conservation measures; e) that the "pass through" policy be retained. The motion was seconded by Dr. Harris.

In further discussion, Mr. Richey noted that it should be made clear that the "pass through" concept would be retained at least through 1979-1981 and would be reexamined after that. Regent Shaw stated that he planned to stay with his original position and vote "no" on the motion.

VOTE ON MOTION:

The motion carried with Mr. Shaw voting nay.

October 5, 1978

BOARD OFFICE BUDGET REQUEST, 1979-1981. The Board Office recommended the board approve a budget request of \$567,543 in 1979-1980 and \$578,059 in fiscal year 1980-1981 for operation of the Board Office and that the decision packages for achieving the 90% base budget be approved as proposed.

As background, it was reported that the proposed budget request for operation of the Board Office in the 1979-1981 biennium was reduced from the proposal in September by deletion of \$3,798 per year for a power typewriter. The proposed 90% base budget, which has to include inflation and merit increases for continuing functions, would exclude the director of employment relations and the classification functions.

The proposed budgets for fiscal year 1979-1980 and 1980-1981 would provide for normal increases in fringe benefits and for merit pay as well as 7% per year for price inflation on non-salary budget categories. The additions for functions not now in the budget for 1978-1979 include \$4,000 per year for special education consultants, \$2,470 for equipment in 1979-1980, \$3,000 for a computer terminal in 1980-1981 and \$4,000 for graduate assistance in the research and information unit for the second year of the biennium. Therefore, \$6,470 was requested in special needs in 1979-1980 and an additional \$7,000 would be provided in 1980-1981 in this category.

It was noted that general salary increases are not provided in the request. The board was made aware that recommendations on salary policy are to be made next spring.

Regent Bailey noted that the request provided for a computer terminal in the second year of the biennium in the amount of \$3,000. Mr. Richey commented that the State Comptroller's Office is quite familiar with the need for this item and added that the request would not pose a problem or establish a precedent.

MOTION:

Mr. Slife moved the board approve a budget request of \$567,543 in 1979-1980 and \$578,059 in fiscal year 1980-1981 for operation of the Board Office and that the decision packages for achieving the 90% base budget be approved as proposed. Dr. Harris seconded the motion and it passed unanimously.

IOWA STATE UNIVERSITY HORTICULTURE ADDITION AND REMODELING CONTRACT AWARDS. The Board Office recommended award of the general, mechanical and electrical contracts on the Horticulture Building and Addition and Remodeling project, as shown below, and approval of a revised project budget totaling \$2,460,000. Also, the Board Office recommended that the board reject the single bid received on the laboratory equipment.

The Board Office reported that bids were received on the Horticulture Addition and Remodeling project on September 12. Low base bids totaled \$2,655,064, which was approximately \$500,000 more than the current project budget was capable of handling. Sole source of funding for this project is a 1977 line-itemed capital appropriation of \$2,460,000.

The university has negotiated certain deductive changes in the general, mechanical and electrical contract areas totaling \$322,942. Additionally, it is the university's intent now to fund the laboratory equipment within the capital request to the 1979 Session for building equipment. The laboratory equipment bid was \$197,805, making a total of \$520,747 deducted from those bids received and resulting in an acceptable project budget.

Of the deductive changes, the university plans to reinstate \$157,506 for three items: a new greenhouse, two sterilizers and three insulated cold storage rooms. These items will be reinstated by contract change order within the next month utilizing a combination of nonappropriated supplemental funds from a source yet to be determined and contingency funds. The successful bidders have agreed to allow until November 1, 1978, for reinstatement at the same price as the accepted credit. Also, the deductive changes is an allowance of \$85,000 for renovation of an existing greenhouse which the university still hopes to be able to accomplish near the end of the project utilizing funds available at that time in contingencies and miscellaneous portions of the budget.

With those above exceptions, the university felt that it has taken deductive change orders that will not reflect upon the space needed for the program but, instead, involve changes in finishes and less expensive materials, generally, than what was initially specified. The university assured the Board Office that the physical plant was involved in these discussions to ensure that decisions made did not adversely impact upon future maintenance costs for this addition.

Contract awards were recommended as follows:

<u>General:</u>	McHan Construction, Inc., Sioux City, Iowa	<u>\$1,541,751.00</u>
<u>Mechanical:</u>	Sweeney-Manning-Sievert, Inc., Granger, Iowa	<u>\$ 449,942.00</u>
<u>Electrical:</u>	Sweeney-Manning-Sievert, Inc., Granger, Iowa	<u>\$ 144,150.00</u>

The board was also requested to hold open until July 15, 1979, the single bid received from Hamilton Industries, Division of American Hospital Supply Corporation, Two Rivers, Wisconsin, on laboratory equipment in the amount of \$197,805. The laboratory equipment is being made part of the request for equipment which is part of the 1979 capital request to the legislature. It was noted that the institution has not increased the request for equipment for this building from the level originally requested, but instead has worked with the department to keep the equipment asking at its original level of \$1,298,000. The department has agreed that other equipment needs of the department beyond the requested amount can be piecemealed over the next few years from operating equipment appropriations.

The board was also requested to approve a project budget totaling \$2,460,000 which reflects the contract awards. A revised project budget will probably be before the board at the October 18 meeting showing the source of funds for the change orders on reinstated items

President Petersen asked whether there was a possibility of going back to the large cadre of supporters who are interested in the Horticulture Building and asking for help. Vice President Moore noted that the problem appears to be solved in a slightly different way from the way the Seed Laboratory and the Meats Laboratory's problems were solved. In the first instance, the research greenhouse has been temporarily deleted. Second, the fixed equipment is moved into the movable equipment request and, third, it appears that funding will come from the Committee for Agriculture Development. When that funding becomes a reality, there will be a project budget brought in which will show an increase of \$300,000 or \$400,000.

MOTION:

Mr. Bailey moved award of the general, mechanical and electrical contracts, as shown above; the holding of the single bid received on the laboratory equipment until July 15, 1979; the approval of a project budget totaling \$2,460,000. Mr. Barber seconded the motion, and it passed unanimously.

SEMINAR, IOWA SCHOOL FOR THE DEAF. President Petersen reported that the board would be meeting on November 15, 1978, to discuss the Iowa School for the Deaf's long-range academic plans.

NEXT MEETINGS.

October 18	Iowa State University	Ames
November 16-17	Iowa School for the Deaf	Council Bluffs
December 20-21	University of Northern Iowa	Cedar Falls
January 18-19	University of Iowa	Iowa City
February 15-16	Iowa State University	Ames
March 15-16	Des Moines	Des Moines
April 19-20	University of Northern Iowa	Cedar Falls
May 17-18	Iowa State University	Ames
June 21-22	University of Iowa	Iowa City

EXECUTIVE SESSION. President Petersen reported that the board needed to discuss strategy in regard to collective bargaining in executive session. On roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Barber, Brownlee, Harris, Shaw, Slife, Wenstrand, Petersen.

NAY: None.

ABSENT: Belin.

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 5:10 p.m. and arose therefrom at 6:15 p.m.

The State Board of Regents met at Iowa State University, Ames, Iowa, on Wednesday, October 18, 1978. Those present were:

October 18

Members of State Board of Regents:

Mrs. Petersen, President	All Sessions
Mr. Bailey	All Sessions
Mr. Barber	All Sessions
Mrs. Belin	All Sessions
Mr. Brownlee	All Sessions
Dr. Harris	All Sessions
Mr. Shaw	Absent
Mr. Slife	All Sessions
Mr. Wenstrand	All Sessions

Office of State Board of Regents:

Executive Secretary Richey	Exc. Noon
Director Barak	All Sessions
Director Volm	Arr. Noon
Ms. Bacon	All Sessions
Miss Van Ryswyk, Secretary	All Sessions

State University of Iowa:

President Boyd	All Sessions
Vice President Brodbeck	All Sessions
Assistant Vice President Small	All Sessions
Director Hawkins	All Sessions
Director Tobin	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 to President Henry	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	All Sessions
Business Manager Kuehnhold	All Sessions

Iowa Braille and Sight Saving School:

Superintendent DeMott	All Sessions
-----------------------	--------------

GENERAL

The following business pertaining to general and miscellaneous items was transacted on Wednesday, October 18, 1978.

EXECUTIVE SESSION. President Petersen reported that the board convened in executive session at 8:30 a.m. until 9:30 a.m. as continuation of the discussion begun on October 5 pertaining to strategy with regard to collective bargaining.

MINUTES. Board members were presented copies of the State University of Iowa seminar minutes as well as those of the University of Northern Iowa. Approval of same was deferred until the November meeting of the board.

It was reported that the September 21-22 and October 5 minutes of the State Board of Regents' meetings were being finalized.

COMMITTEE ON EDUCATIONAL COORDINATION. There were no matters presented the board for information or discussion relating to the Committee on Educational Coordination.

LONG-RANGE ACADEMIC PLANNING. The Board Office recommended the board review and approve a report on the board's long-range planning.

The Board Office reported that the long-range planning report was developed to facilitate Regent Bailey's request for a discussion of long-range academic planning at a past meeting of the board. In preparing the report, an attempt was made to strike an appropriate balance between institutional autonomy and Regental responsibilities for determining broad goals and objectives for the board's institutions. The Board Office reviewed the long-range master plans from coordinating/governing boards in most of the other states and largely found them wanting in the essential elements which characterize Iowa's public higher education. It was the Board Office's conclusion that Iowa's unique approach to higher education required a somewhat unique approach to long-range planning.

Mr. Barak noted the report was many things:

- 1) a "first draft" of a Regents' long-range plan
- 2) a compendium of Regental goals and objectives based on a content analysis of past board action
- 3) a description of a proposed planning process
- 4) a summary of the institutional plans
- 5) a general guide to Regents' budget and program decisions
- 6) a discussion of the board's role in planning, and
- 7) a reaffirmation of some planning assumptions previously approved by the board.

The Board Office reported that the report was not a plan "cast in concrete," but a reasonable guide to a continuous and ongoing process of planning in which

October 18, 1978

the primary responsibility for overall goals and objectives was placed with the board while assuring the preservation of institutional autonomy.

The Board Office recommended the board review the document, making whatever comments, changes, etc., that the board felt would be appropriate. It was noted that further discussion and development on the report could occur at the November meeting of the board. Institutional representatives were encouraged to provide input to the Board Office on the report. Mr. Richey noted that institutional comments had not been incorporated in the first draft. Mr. Richey also encouraged the board to refer the report to the Inter-institutional Committee on Educational Coordination for comment and recommendation.

Mr. Barak explained the report in detail to members of the board. Particular attention was focused on the Board Office's condensed versions of the most recent collegiate-level academic long-range plans submitted by the universities to the board. The plans were summarized on a standard form to provide some overall consistency. Mr. Barak reported that blanks on the forms did not necessarily mean lack of needs or activities in that category. It meant, instead, that the college did not include priorities in those areas in its long-range plan. Each university's collegiate plans were preceded by a university-wide form, indicating those items in the institution's plan that were university-wide in scope. The listing of items on the plans indicated potential areas of need or developments in the various colleges with "potential" ranging in meaning from initial discussion stage to planning to nearing implementation. Mr. Barak indicated that most commonly the listing meant that the college would implement the item when it has the resources and when approved at the appropriate collegiate level.

President Boyd commented that the material formulated by the Board Office (particularly, the condensed version of long-range plans) could present some problems. For example, the university is not planning to transfer its University Hospital Pharmacy to the College of Pharmacy, as indicated in one of the summaries. President Boyd commented that the university had set no limitations on what the deans could say or recommend to the board at the University of Iowa's long-range academic planning seminar other than a time limit. Mr. Barak explained that the long-range planning document clearly stated that a perceived need by a college had to be approved by the institution and the board before it could become a reality. He noted the necessity to have sufficient funding before any collegiate proposals would occur. President Boyd responded that he did not feel that a college should be able to deal directly with the board (through the Board Office summaries) without utilizing the university administration. Mr. Barak added that the Board Office summaries were not eliminating institutional involvement as the information therein simply stated the respective collegiate needs as portrayed by the colleges in their long-range plans. President Petersen recognized the concern President Boyd raised.

October 18, 1978

President Boyd reiterated his concern by saying that plans for each of the State University of Iowa's colleges are "extraordinarily delicate matters" because there are differences of opinion within the institution as to what the collegiate needs are and how colleges should interrelate with each other.

Regent Bailey expressed hesitation to adopt future planning statements as presented by the Board Office of the respective colleges as policy when there were conflicting statements therein. He said he would prefer to see the statements referred to as a compendium to refer to for reference, instead. He said more input was needed from the universities on this matter.

President Kamerick said there were certain things in the report that required consultation with the faculty union before further comment could be made. He said he would have liked to have had advance notice that this item was going to be on the board's agenda so he could have been better prepared to respond.

President Parks noted that the Board Office simply attempted to recapitulate some of the things it heard at the institutional seminars. He said as long as it was understood that this was a draft, it was fine. He stated that when Iowa State University's seminar was held, the collegiate deans were not restricted in what they said to the board pertaining to their needs. He said he did not feel the board should place great significance on the future collegiate plans as presented by the Board Office because they were simply that--collegiate hopes and plans for the future as opposed to institutional hopes and plans for the future.

Vice President Christensen said he hoped that if the board referred this report to the Committee on Educational Coordination that it not put an immediate time element on it. He went on to say he saw the need for much to be reviewed and possibly redone. He suggested the committee itself be given an opportunity to decide the time frame for finalizing this report.

Regent Belin reassured the institutions that the Board Office staff who prepared the report simply tried to present the board an overview of the collegiate goals without putting them into concrete. Mr. Richey concurred with Regent Belin by stating that the Board Office has not attempted to do a complete academic inventory of each institutional college.

Vice President Martin said the institutions would need to explain to their respective faculties that merely because something appears in the docket book does not mean that the board will approve and provide funds for same.

MOTION:

Dr. Harris moved the board refer the report on the Regents' long-range planning to the Interinstitutional Committee on Educational Coordination for review and comments. Mrs. Belin seconded the motion and it passed unanimously.

ACCREDITATION REPORTS. A. Accreditation of Undergraduate Program of the University of Iowa College of Medicine. The Board Office recommended the board accept the report of accreditation of the undergraduate program of the University of Iowa College of Medicine.

The Board Office reported that the Liaison Committee on Medical Education at its meeting on June 28-29, 1978, voted to confer full accreditation for a period of ten years on the program terminating in the M.D. degree. The committee expects to resurvey the program during the 1987-1988 year in conjunction with the survey of the university by the North Central Association of Schools and Colleges. The site visitors reported that the College of Medicine offers a high quality program of medical education and that there are no problems of sufficient magnitude currently identifiable. However, institutional strengths were pointed out as well as indicators of potential threats for the College of Medicine for members of the board.

President Boyd suggested that further discussion of this item be postponed until the afternoon session of the board meeting so that Dean John Eckstein could be present. In absence of objections, his request was granted and discussion was deferred.

B. Report on Accreditation of the Doctoral Training Program in Counseling Psychology at Iowa State University. The Board Office recommended the board accept the report on accreditation of the Doctoral Training Program in Counseling Psychology at Iowa State University.

The Board Office reported that Iowa State University was notified by the Committee on Accreditation for the American Psychological Association that its Doctoral Training Program in Counseling Psychology had been granted full approval status. This accreditation group does not conduct site visits. Consequently, the board was not presented a report of a visiting committee. The decision to reaccredit programs apparently is based on a review of a self study prepared by the institution.

MOTION: Dr. Harris moved the board accept the report on accreditation of the Doctoral Training Program in Counseling Psychology at Iowa State University. Mr. Bailey seconded the motion and it passed unanimously.

IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION - OCTOBER MEETING. The board was presented a summary of the October 5 meeting of the Iowa Coordinating Council for Post-High School Education. Highlights follow:

- 1) The council heard a report from the Data Gathering Committee regarding the fall Higher Education General Information Survey. This fall, there will be six surveys sent to all postsecondary education institutions in Iowa.
- 2) The council discussed the matter of conducting a study of reciprocity and agreed to establish a small committee to provide some direction for the council concerning this matter.
- 3) The council heard a report by the Lifelong Learning Selection Committee indicating its selection of a coordinator for the Lifelong Learning project.

October 18, 1978

- 4) The Coordinating Council discussed the problem of coordination between the Iowa Coordinating Council and the Iowa Coordinating Committee for Continuing Education. Of particular concern was the coordination and direction of the activities of the new statewide coordinator for the Lifelong Learning project. After some discussion of this issue, the council made some changes in the membership of the committee that will oversee this project.
- 5) The Coordinating Council heard several reports on new programs to be offered by Iowa colleges.

President Petersen and Regent Wenstrand were both noted to have been in attendance at the Coordinating Council meeting. President Petersen underscored the importance of the need for coordination between the Coordinating Council and the Iowa Coordinating Committee for Continuing Education.

President Petersen elaborated on the report from the Data Gathering Committee by saying that the legislature has requested uniform information from all the educational sectors in Iowa. There has been an effort, therefore, for all the sectors to work cooperatively to provide that kind of information through the Coordinating Council to the legislature.

Regent Bailey requested clarification of the reason for the change in the committee structure. President Boyd replied that there had simply been a mistake in the original composition of the committee by focusing it too narrowly in the Coordinating Council. In rectifying this omission, it was also recognized that representatives of the five regional clusters needed to be represented. The new committee is now a balanced one of these three groups.

ANNUAL UNDERGRADUATE STUDENT AID REPORT. The Board Office recommended the board accept the annual undergraduate student aid report.

The Board Office reported that the institutional student aid directors divided the various types of student assistance into five funding groups: 1) institutionally-controlled aid funds (such as general educational funds which are primarily used for scholarships and private funds donated to the institutions for use as long-term loans to students); 2) federal funds under institutional control consisting of the three major student aid programs -- Basic Educational Opportunity Grants, Supplemental Educational Opportunity Grants and College Work/Study Program; 3) funds not controlled by the institutions (state of Iowa scholarships, veterans benefits, social security benefits and vocational rehabilitation benefits, and basic grants); 4) private student assistance programs (such as corporate and private donors and other special aid programs); and 5) federally-insured student loan programs.

A summary of the various types of student aid was presented for information:

	SUI		ISU		UNI	
	1976-77	1977-78	1976-77	1977-78	1976-77	1977-78
Institutionally Controlled Funds	\$ 2,228,526	\$ 2,278,483	\$ 1,242,448	\$ 1,758,425	\$ 773,921	\$ 962,
Federal Funds Inst. Control	3,186,353	3,327,592	2,264,495	2,522,662	1,210,474	1,405,
Funds Not Controlled by Inst.	4,817,658	4,676,504	1,957,793*	1,952,163*	3,768,802	3,314,
Other Sources of Student Assistance (estimate).	2,134,309	2,690,375	788,137	923,538	76,000	85,
Federally-Insured Student Loan Prog.	3,307,496	4,640,583	2,308,357	3,434,732	1,512,000	1,748,
TOTAL	<u>\$15,674,342</u>	<u>\$17,613,537</u>	<u>\$ 8,561,230</u>	<u>\$10,591,520</u>	<u>\$7,341,197</u>	<u>\$7,516,</u>

*Does not include V.A. or Social Security Benefits

Mr. Richey defined institutionally-controlled funds as those basically involving appropriated funds.

Regent Bailey noted that institutionally-controlled funds primarily consist of scholarships awarded to students according to demonstrated financial need with some consideration of academic achievement. The awards range from \$100 to \$1,400 and the money comes from general institutional funds. These funds, along with the institutional contributions of several federal programs, constitute all the state-supported student aid programs. Regent Bailey then asked for clarification of a statement made by the Board Office which said that "Both ISU and UNI also have institutionally-administered loan programs similar to the National Direct Student Loan Program." He asked for clarification of the difference between the University of Iowa's loan program and that of the other two universities. He said the Board Office's statement appeared to single out the University of Iowa in making it appear to be without such a loan program. Vice President Jennings said that while the University of Iowa's loan program is continuing, it is not growing and the university does not expect it to grow either.

Regent Bailey asked for clarification about the formula for distribution of college work/study funds. Vice President Moore said that the 1976-1977 level funding for the college work/study program was a result of several factors, the major one being that Iowa State increased its utilization of those funds that year. Consequently, the institution was able to restore funding of the program to levels earlier in the year. Regent Bailey asked if Iowa State University is now getting sufficient work/study funding. Vice President Moore responded in the affirmative, but noted that not everyone at the university administration would agree on that point.

October 18, 1978

Regent Bailey inquired as to whether the institutions, in setting up financial aid programs, require that students make an effort to receive Basic Educational Opportunity Grants prior to receiving other aid. Vice President Jennings noted that when a student applies for aid at the State University of Iowa, the first process is for that student to obtain Basic Educational Opportunity Grants if at all possible. Mr. Barak noted that the Basic Educational Opportunity Grants provide the floor upon which other forms of aid are built.

The Board Office reported that in analyzing the five general types of student aid noted in the report, it appeared that four out of the five categories increased the amount of aid distributed from 1976-1977 to 1977-1978. One category, Funds Not Controlled by the Institutions, declined at all three universities. That category of aid consists of the state of Iowa scholarships, veterans benefits, social security benefits, vocational rehabilitation grants and the Basic Educational Opportunity Grants. While it was difficult to be precise about the amount of aid distributed in these categories since most of the numbers were estimates, it appeared that there has been a decline in all of these types of aid at all three institutions, except Basic Educational Opportunity Grants at Iowa State University. The state of Iowa scholarships, for example, have declined at all three universities, as have the number of students receiving this type of aid. The decline in veterans benefits and vocational rehabilitation grants also has been consistent at all three universities this past year.

The Board Office reported that much of the debate this year over expanding aid has focused on whether the costs of education fall inequitably on the middle-income student (or the student's family). The argument is that low-income students are assisted by a number of aid programs and high-income students can well afford the costs, but that rising costs of attendance are pricing the middle-income students out of the market. A recent study which has analyzed the various studies that have been conducted regarding the problem of the middle-income student has concluded that "available data simply do not yield convincing evidence either to confirm or deny the allegation of a middle-income 'squeeze.'"

Regent Bailey noted that based on figures supplied by the College Scholarship Service, the average need for 13,452 students who filed financial statements with the service and indicated a desire to attend a Regents' university for the 1978-1979 school year was \$1,503 for dependent students and \$2,442 for self-supporting students. The percentage of middle-income (\$12,000 to \$20,000) students indicating a need for aid is 80% of all students filing. At the \$20,000 to \$25,000 level, the percentage decreases to 60%, and at the \$25,000 to \$30,000 level, the percentage decreases to 33%.

Regent Bailey noted that he felt that if a family on a \$15,000 income can contribute, for example, \$1,000, then a family on a \$25,000 or \$30,000 income should be able to contribute \$3,000 to a student in the university from that respective family.

The Board Office noted that Congress is currently considering both tuition tax credits and increases in student aid for middle-income families. House/Senate conferees reached agreement September 28 on a compromise bill allowing a 35% tax credit for college and postsecondary vocational school expenses only. The conferees dropped a more controversial provision approved

earlier by the House that would have allowed credits also for parochial and private elementary and secondary school tuitions. The compromise bill would allow tax credits or subtractions from income taxes of 35% of tuition and fees paid for each college or postsecondary vocational student up to a maximum of \$100 this year, \$150 in 1979 and \$250 in 1980 and 1981. Credits would be allowed only for full-time undergraduate students until 1980, when part-time undergraduates would be covered.

President Parks reported that the educational community and educational organizations have taken a position against the tuition tax credit proposal as incorporating precisely Regent Bailey's concerns without any consideration of giving a tax credit to people whether they need it or not. Mr. Barak commented that the the compromise bill allowing tax credits or subtractions from income taxes of 35% of tuition and fees paid as described above, passed.

President Petersen said she sensed a significant difference between the institutional aid packages at the three universities. She said she assumed the differences to be due to the numbers and variety of students and their needs at the respective institutions, as opposed to the commitment of the institution to meet their student aid needs. In response, Vice President Thomas B. Thielen, Student Affairs, Iowa State University, stated that the disparity in the aid package at Iowa State University is not that Iowa State's students are not needy, but over the years not all of the base for the student aid packages was used. In the last two years, however, that has not been the case. In some instances, the institutional aid packages have been overutilized now at Iowa State University. He made particular note of that situation with the college work/study program at the university.

In absence of objections, President Petersen accepted the annual undergraduate student aid report for the board.

REPORT ON MEETING OF IOWA COLLEGE AID COMMISSION. Regent Bailey presented the board an oral report on the Iowa College Aid Commission's most recent meeting.

Regent Bailey reported that the commission has hired a director for the State Guaranteed Student Loan Program.

Regent Bailey also noted that the Hawkeye Band Corps has asked the Governor to request that organization to set up a non-profit corporation to sell tax exempt bonds to raise \$10 million of tax exempt loan money. As explanation, the bondholders would be tax exempt to make loans to students for a number of banks to make loans to students. Regent Bailey said the commission is checking into this matter with a fair amount of skepticism for the reason that it is to concentrate student loan funds very possibly in a single facet of the financial curricula of the state.

PRELIMINARY REPORT ON ENROLLMENTS FOR FALL, 1978. The board was presented the first of two enrollment reports that will be submitted to the board regarding 1978-1979 enrollment. It contained headcount and full-time equivalent enrollment at Regents' universities and headcount enrollment at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.

The Board Office reported that headcount enrollment is up at all three Regents' universities, as it has been for the last several years. Headcount is up at the University of Iowa by 224 students; at Iowa State University by 249 students; and at the University of Northern Iowa by 113 students. At the University of Iowa, total headcount enrollment is 22,990; at Iowa State University, 23,052; at the University of Northern Iowa, 10,455. These headcount increases are 1.0%, 1.1% and 1.1%, respectively, for the three Regents' universities. These increases are slightly below the estimated percentage of enrollment rise nationally, which has been estimated by the National Center for Educational Statistics at 1.8%.

The Board Office stated that the full-time equivalent enrollment is up at the University of Iowa by 296 students (1.5%) and at the University of Northern Iowa by 192 students (2.1%); FTE is down at Iowa State University by 148 students (-0.7%). The decrease in FTE is the first occurring at Iowa State University since 1973, when the FTE decreased by 0.8%. The University of Iowa had a decrease, also, in 1976 of -2.4%, but has had increases every year since 1973. The University of Northern Iowa had FTE decreases both in 1973 and 1974 (3.2% and 3.0%, respectively); since that time, it has had steady increases.

Overall, the Board Office reported that the enrollment trend, both in headcount and FTE, seems to be as follows: At the University of Iowa there has been a steady gain, but the rate of gain has slowed. At Iowa State University, there has been a greater rate of increase, but the rate has slowed. At the University of Northern Iowa, a decrease occurred from 1972 through 1974, but that decrease has been made up and additional growth has occurred.

The Board Office indicated that at Iowa School for the Deaf, fall 1978 enrollment shows a decline of 24 students from the 1977 enrollment; the decrease last year was 34 students. The board also noted that there are no freshmen enrollees this year. This is due to the fact that the school has added a year to the junior high curriculum so that the students in the junior high, many of whom are from the most recent rubella epidemic, will have more time to develop basic skills before moving on to high school. It was noted that the enrollment at the school has steadily declined since 1971, when it stood at 407 students.

At Iowa Braille and Sight Saving School, enrollment has remained the same from 1977 to 1978. This is a stabilization after a period of steady decline since 1972-1973. This decline, however, has been in absolute numbers, not in equivalency enrollment. (Equivalency is the effective enrollment when the severity rating scale has been applied.) At Iowa Braille and Sight Saving School, however, there has been a decline in the number of students in grades 1-12, the group whose primary impairment is visual, and an increase in enrollments in developmental classes, the classes of students who have other severe impairments in addition to blindness. In 1977, there were 68 students in 1-12; in 1978, there are 54. In 1977, there were 26 developmental students; in 1978, there are 40.

Regent Bailey asked if the Iowa School for the Deaf has an "equivalency" enrollment as the Iowa Braille and Sight Saving School does. Mr. Richey responded that the Iowa School for the Deaf has not refined its equivalency procedure yet although it has been working on its development.

Regent Belin inquired as to the number of foreign students admitted into the Regents' institutions. She said she has recently read that there has been a tremendous influx of foreign students into United States' institutions of higher learning. Vice President Christensen reported that Iowa State University has roughly 1,100 to 1,200 foreign students. He noted that the number of applications from foreign students has been increasing. While the institution could accept more of those applications, the institution does not have places to put them anymore. President Boyd said the University of Iowa has a relatively small number of foreign students enrolled compared to comparable institutions its size. He went on to say that the institution simply makes sure there is adequate representation in particular programs with respect to foreign students. He noted that the University of Iowa does not admit undergraduate foreign students. Historically, the university has felt that foreign students should go to small, private institutions. He noted, however, that this is a very controversial matter within the university at the present time. President Boyd noted that the number of foreign students at the University of Iowa is not going to be connected with the institution's enrollment issue, nonetheless.

President Parks said he felt Iowa State University has felt more pressure, possibly, than the University of Iowa in admitting foreign students as Iowa State has had heavy demand from foreign students in engineering and agriculture. He reported that while Iowa State University does not have a specific policy prohibiting undergraduate foreign students, the heaviest concentration of foreign students is in the graduate area.

President Kamerick said the number of foreign students is not great at the University of Northern Iowa, although the percentage increase is. The institution has gone from about 70 foreign students to about 120 to 130 over the last several years.

Mr. Richey commented that a few years ago the board discussed not admitting high school students in the lower 50 percentile of the classes in Regents' universities. However, over the last four to five years the institutions have taken more chances with those students in the lower half of the high school class. He said that eight to ten years ago, there was a Regents-wide rule with an average of 7% of foreign student enrollment. Now that average is 10%, with some variation among the institutions. Mr. Richey said that if members of the board wished that percentage to change, they should inform the Board Office. Regent Brownlee asked if the percentage average is a "rule." Mr. Richey responded in the affirmative. President Boyd said he would not favor changing the current average of foreign students in Regents' institutions. He noted that the community colleges provide open enrollments, as do other public and private institutions throughout the state.

President Petersen said the Committee on Educational Coordination may want to study the enrollment matter as to its historical perspective, mix of students, impacts on the institutions, enrollment increase requests, etc.

In absence of objections, President Petersen accepted the preliminary report on enrollments for fall 1978 as presented the board.

BUDGET REQUEST FOR ENROLLMENT GROWTH FOR 1979-1981. The Board Office recommended the board not make a request at this time for appropriations in 1979-1981 for enrollment growth with the understanding that the issue will be reviewed a year hence to determine if a request is indicated for the second year of the biennium.

The Board Office presented the institutional requests for enrollment growth for the 1979-1981 biennium:

	<u>Appropriation Request</u>	
	<u>1979-80</u>	<u>1980-81</u>
University of Iowa	\$ 29,128	\$ 466,666
Iowa State University	878,442*	21,951
University of Northern Iowa	<u>378,412</u>	<u>78,088</u>
Total	<u>\$ 1,286,124</u>	<u>\$ 566,705</u>

*Assumes that \$800,000 of the \$1,120,000 allocated to ISU in 1977-78 is applied to the base adjustment.

The board was reminded that the institutions based their requests on growth over 1976-1977 enrollments and deducted prior appropriations and estimated student fee income to arrive at the new appropriation request figures.

As background, the Board Office reported that the Board of Regents requested \$3.0 million in appropriations for the 1977-1979 biennium to adjust the base budget of Iowa State University (\$1.0 million) and to provide for enrollment growth during the biennium (\$2 million). The board received appropriations of \$1.5 million for these purposes. The board allocated the \$1.5 million in 1978-1979 as follows:

University of Iowa	\$ 105,000
Iowa State University	1,120,000
University of Northern Iowa	275,000

The allocations were made, with minor modifications, on the basis of estimated enrollment growth in 1977-1978 plus an allowance for adjustment of the Iowa State University base budget. Actual full-time equivalent enrollments were as estimated for 1977-1978, except for the University of Northern Iowa, which had 41 fewer students than anticipated in the figures used to calculate costs.

The allocations of the \$1.5 million in appropriations in 1978-1979 substantially funded the enrollment growth at all three universities for 1977-1978, if it is assumed that Iowa State University received \$650,000 as a base adjustment. (Iowa State University actually fell short of full funding for its enrollment growth in 1977-1978 because receipts from student tuitions were less than expected. This was corrected, however, in the request approved by the board on October 5, which adjusted downward the estimates of such income in 1979-1980.)

The Board Office reported that the current estimate of enrollments (full-time equivalents) in 1978-1979 are 1,189 less than the estimates made last April for that year. Except for the University of Iowa, the current institutional estimates of enrollments (full-time equivalents) for 1978-1979 showed little or no growth over actual enrollments for last year (1977-1978). Therefore, the funding actually received for enrollment growth in the 1977-1979 biennium was quite close to what was needed for growth in that biennium based on the revised enrollment estimates and assuming a reduction in the base adjustment for Iowa State University to a figure of \$650,000 (from the \$1.0 million requested).

The Board Office indicated that the institutions have estimated enrollment growth (full-time equivalents) to be 604 students or 1.1% in 1979-1980. Therefore, the Board Office recommended that appropriations not be requested for the 1979-1980 fiscal year because the growth expected is relatively insignificant. The Board Office also reported that it felt the institutional estimates may be high. For all practical purposes, the Board Office said it appeared as though stable enrollments can be expected for another year.

The Board Office recommended the enrollment growth request for the 1979-1981 biennium should be deferred for a year for the reasons noted above. Without a request in this budget category, the board and its institutions would be better able to focus the attention of the Governor and the General Assembly on the other serious needs that are reflected in the request.

The Board Office stated that, should enrollment growth occur, the institutions could use income from additional students for use in meeting costs.

In discussion, President Parks expressed disagreement with the recommendation made by the Board Office relating to enrollment growth. He stressed that Iowa State University strongly feels there should be an enrollment growth request before the Governor and the legislature for resources to take care of that institution's increase in enrollment that has been unfunded in past years. He said that if the board would not request money for that need, it would seem to appear that Iowa State University's resources are in balance with its enrollment growth, which is not the case. He said the university cannot afford to indicate to the Governor and the legislature that it has adequate resources to take care of its current level of enrollment for the coming biennium. He reported that "any such implication has no resemblance to reality." He said that if the board did not ask for an increase in resources to take care of Iowa State's enrollment increase, the board could only blame itself for the problems that would arise.

Vice President Christensen reported that Iowa State University now has a "desperate shortage" of faculty members. While this has direct bearing on the instructional program, it also has direct bearing on research and extension programs of that institution. He said that "with full and over full teaching loads, major institutions do suffer." He provided the board with detailed data portraying the urgency of the request by indicating that 5,500 students could not get in courses they wanted to take last year due to lack of adequate teaching staff. He said some students have transferred out of Iowa State University because of the unobtainability of classes due to the lack of sufficient teaching staff.

Dean David Boylan, College of Engineering, emphasized the severity of the enrollment problem in the College of Engineering. He said the student/faculty ratio is now 26.9 per faculty member. That has raised from 18.6 in 1973. He

October 18, 1978

cited an example of students sitting in hallways to hear class lectures as there is not enough room in the classroom itself. Dean Boylan reported that there is a changing pattern in enrollment at Iowa State University. In 1972, approximately 13.5% of the total student body at Iowa State University was included in the engineering program. Last year, the percentage enrolled in engineering was over 20%. The college expects that that percentage is going to continue to increase.

Dean Boylan reported that Iowa State University has done everything possible to accommodate the enrollment growth problem with the limited funds it has available. The university has hired lower level instructors in areas where top level professors previously were hired. The mode of delivery of education has been changed and closed circuit television classes are now presented by one instructor to enable greater viewer coverage. Dean Boylan solicited board members' opinions as to how to further handle the enrollment problem in the College of Engineering.

Regent Harris asked what the average faculty teaching load is in the College of Engineering. Dean Boylan responded that faculty use a figure of 12 credit hours or equivalent teaching load. Normally, faculty members advise one-fourth time, or 60 advisees, so actually nine credit hours of teaching are involved. Something else that may be used as an equivalent in the faculty's workload is working on committees. Some faculty are involved in this activity and that work is limited to 10% of those persons' time.

Mr. Richey said the projection for enrollment growth next year is 1% in terms of full-time equivalents on a Regents-wide basis. He noted that the board received about one-half its request for enrollment growth for the 1977-1979 biennium when it received \$1.5 million. Mr. Richey stated that in terms of making a request for enrollment growth occurring in the next biennium, the board was on very weak grounds. However, he said there may well be special needs at each of the institutions in terms of existing academic programs. He emphasized that all three universities should evaluate where they are in terms of their specific needs for program quality and submit to the board any requests for such programs. Mr. Richey noted that with respect to Iowa State University, there is some relief in the next biennium, as there is a downward adjustment of between \$350,000 and \$400,000 in institutional income estimates based on current biennial expense.

President Kamerick noted that while the board did receive \$1.5 million last biennium for enrollment growth, not all of that was "tagged" for same. A considerable part of the money went to Iowa State University for past unfunded enrollment increase (not just for the past biennium). He suggested the board "bring the records" to the November board meeting and said it would then have a strong case for enrollment growth needs.

Vice President Martin commented that the University of Northern Iowa has some unfunded obligations which it has undertaken, including the Bachelor of Liberal Studies. He noted that the program was started without "real funding" and some of the enrollment increase money went for that purpose.

President Boyd emphasized that erosion has become so great that the institutional equipment askings have a lot to do with the ability to meet the increasing enrollments, past as well as present.

President Petersen suggested the board request appropriations for enrollment for both years of the 1979-1981 biennium with interinstitutional and Board Office dialogue to ensue as to appropriate labeling.

MOTION: Mr. Slife moved the board approve enrollment increase recommendations of the universities for the 1979-1981 biennium for unfunded enrollment growth. Mrs. Belin seconded the motion and it passed unanimously.

ACCREDITATION REPORT. A. Accreditation of Undergraduate Program of the University of Iowa College of Medicine. Continuation of the discussion started earlier today commenced with the arrival of Dean John Eckstein of the College of Medicine.

Dean Eckstein said the College of Medicine was accredited by a joint committee of the Association of American Medical Colleges and the American Medical Association. He noted that it is a quite sophisticated accreditation group. He noted that the accrediting process is complex and took a long time. Dean Eckstein said the college was pleased that the site visitors worked in coordination with the North Central Accrediting group.

Regent Bailey asked if the College of Medicine has problems with the different types of cases referred to it. Dean Eckstein reported that the site visitors were impressed with the tertiary care center at the university. Regent Bailey noted his question was prompted by a statement made by the Board Office that public consensus, as well as socio-economic factors influencing the distribution of physician specialists, might divert all but the most complex and expensive medical care away from the university center. Dean Eckstein reported that the site visitors did not express dissatisfaction in that area.

MOTION: Dr. Harris moved the board accept the report on accreditation of the undergraduate program of the University of Iowa College of Medicine with appropriate commendation to the dean of the college for his excellent leadership in one of the best medical schools in the country. Mrs. Belin seconded the motion. The motion passed unanimously.

IOWA STATE UNIVERSITY RESEARCH FOUNDATION, INC., ANNUAL REPORT. The Board Office recommended the board accept the annual report of the Iowa State University Research Foundation, Incorporated.

The report presented by the foundation noted that October 13, 1978, marked the 40th year of service of this organization. The foundation is a non-profit corporation organized to provide a means of obtaining and promoting intellectual properties developed by faculty, staff and students at Iowa State University. The report noted that the copyright gross income for the year was nearly \$98,000 and it is anticipated that gross income will increase over the next three to five years. In this next year, the foundation expects to make grants to the university for educational and research projects in the

amount of approximately \$200,000. It was also noted that the foundation is considering the possibility of selling the old Ames Golf and Country Club.

MOTION: Dr. Harris moved the board accept the annual report of the Iowa State University Research Foundation, Inc. Mr. Barber seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. The board was requested to approve the Board Office Personnel Register for the month of September as follows:

Appointment:

Barbara S. Waldron, Secretary I, part-time (30 hours per week) @ \$3.88 per hour, effective September 15, 1978.

In absence of objections, President Petersen approved the Register of Personnel Changes for the month of September 1978.

NEXT MEETINGS.

November 15-17	Iowa School for the Deaf	Council Bluffs
December 20-21	University of Northern Iowa	Cedar Falls
January 18-19	University of Iowa	Iowa City
February 15-16	Iowa State University	Ames
March 15-16	Des Moines	Des Moines
April 19-20	University of Northern Iowa	Cedar Falls
May 17-18	Iowa State University	Ames
June 21-22	University of Iowa	Iowa City

President Petersen reported that the meeting on November 15 would begin at 12:00 noon at the Iowa School for the Deaf.

President Petersen asked board members and institutional executives if there were additional matters to be raised pertaining to general or miscellaneous items. There were no additional matters raised for discussion.

EXECUTIVE SESSION. President Petersen reported that there were two items needing to be discussed in executive session: strategy in regard to collective bargaining and a personnel matter. On roll call vote to enter into executive session, the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Slife, Wenstrand, Petersen.
NAY: None.
ABSENT: Shaw.

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 3:30 p.m. and arose therefrom at 4:45 p.m.

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, October 18, 1978.

RENOVATION OF WEST CAMPUS HIGH PRESSURE STEAM SYSTEM - PUBLIC HEARING. President Petersen called the meeting to order at 11:00 a.m., Central Daylight Savings Time, on Wednesday, October 18, 1978, at Iowa State University, Ames, Iowa. The roll being called, there were present Mrs. H. Rand Petersen, president, in the chair, and the following named board members: Bailey, Barber, Belin, Brownlee, Harris, Slife, Wenstrand. Absent: Shaw.

The president stated that this was the date, time and place set for a hearing on the proposed plans and specifications and proposed form of contract for Renovation of West Campus High Pressure Steam System on the campus of the State University of Iowa, Iowa City, Iowa.

President Petersen asked whether anyone present wished to register objections concerning either the proposed plans and specifications or the proposed form of contract. No objections were filed.

The president then inquired whether the executive secretary had received any written objections to the project. The executive secretary stated that he had not received any such objections. There being no objections, the president declared the public hearing closed.

MEDICAL SERVICE PLAN. Mr. William Lillibridge, Business Manager of the Medical Service Plan, and Dr. Henry E. Harrison, Secretary of the Faculty of the College of Medicine and member of the Governing Committee of the Medical Service Plan, were present for board discussion pertaining to the Medical Service Plan of the University of Iowa.

The university indicated that the Medical Service Plan is a Board of Regents-approved system for the collection and disbursement of income resulting from services rendered to patients by the physician faculty of the College of Medicine. Periodic reports concerning the operation of the plan are provided to the university administration and to the Board of Regents. President Petersen noted that Mr. Lillibridge would present the board an informational overview of past and present operations and that Dr. Hamilton would answer questions posed by members of the board. The basic elements of the Medical Service Plan are on file at the Board Office.

Mr. Lillibridge reported that the Medical Service Plan of the University of Iowa College of Medicine was established in 1946. Its immediate effect was to convert from a part-time to a full-time clinical faculty. From that period forward, all income resulting from professional services has been deposited to departmental accounts, to be used in support of academic programs of the college. The university acts as agent in receiving and disbursing income, and all expenditures must conform to university regulations.

Mr. Lillibridge indicated that if a professor in the Department of Internal Medicint treats a patient seen in an out-clinic of the University Hospitals,

that professor determines how much the patient is to be charged for the service rendered. The bill is then processed through the hospital business office for collection. At the time the patient or the patient's insurance company remits payment, the amount is deposited to the Department of Internal Medicine Service Fund. From this and other such income, the costs of doing business are paid such as overhead charges, support staff, supplies, malpractice insurance, etc. The next claim against this income would be to pay that portion of the physician's salary which has been budgeted against practice earnings.

Mr. Lillibridge stated that last fiscal year, the average amount received from service income by a physician-faculty member was about \$16,000. The average income generated per physician was more than \$68,000, well over four times the amount received in compensation. This margin of advantage in favor of the college has made it possible to sustain quality academic programs at minimal expense to the state.

Mr. Lillibridge said that expressed in terms of last year's collegiate budget of nearly \$56 million, 30% was funded from practice earnings, compared with only 27% from state appropriations and tuition. The remaining 43% was funded from grants and other external sources, for the most part representing awards to faculty members under competitive funding programs, both federal and private. When external awards are combined with practice earnings, it was made clear that the College of Medicine, in large part, is self-supported.

The Medical Service Plan was initiated by the faculty, was and is directed by elected committees of the faculty, and depends upon the faculty's cooperation and support for its continued vitality. Mr. Lillibridge said the plan functions successfully because the faculty is behind it.

President Petersen noted that the board does not want to undercut the importance of the Medical Service Plan. She noted that is primarily the reason why askings were included in the Regents' budgetary request to help supplement and augment other sources to try and keep the funding in a better balance for the Medical Service Plan in the event federal monies become scarce.

MOTION:

Mr. Bailey moved the board accept the University of Iowa's report on its Medical Service Plan and also commended the college and its faculty for what the plan is doing for the state of Iowa. Mrs. Belin seconded the motion and it passed unanimously.

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

APPOINTMENT. The board was requested to approve the following appointment:

Y. King Liu for the position of Director of the Center for Materials Research in the College of Engineering, Department of Materials Engineering, effective August 28, 1978, salary as budgeted.

MOTION:

Mr. Bailey moved the board approve the appointment of Y. King Liu for the position of Director of the Center for Materials Research in the College of Engineering as shown above. Dr. Harris seconded the motion and it passed unanimously.

MANDATORY RETIREMENT. The Board Office recommended the board approve the university's request to change the mandatory retirement age for its teaching, research, major administrative and professional employees from age 68 to 70.

The Board Office reported that the 1978 amendments to the Federal Age Discrimination in Employment Act eliminate the mandatory retirement age of 70 for federal employees, and raise the permissible mandatory retirement age for most other employees from 65 to 70, effective January 1, 1979. An exception is made for colleges and universities which are permitted to retire tenured faculty at age 65 until July 1, 1982. (Another exception permits the compulsory retirement at age 65 of executives who are entitled to an annual pension of at least \$27,000.)

Present institutional policies at the University of Iowa and the University of Northern Iowa provide for the retirement of faculty, major administrative and professional employees at age 68, and for the retirement of merit system employees at age 70. Iowa State University policy provides for retirement of all employees at age 70; however, at age 65 administrative employees are relieved of major supervisory duties and faculty may not be appointed for more than nine months a year. Employees at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School retire at age 65.

The Board Office stated that the change recommended by the University of Iowa would establish a uniform mandatory retirement policy for all employees at age 70. University of Iowa merit system employees are presently required to retire at 70; the mandatory retirement age for professional and scientific employees would change from 68 to 70 as required by federal law, and the mandatory retirement age for faculty would change to age 70 even though not required by federal law until 1982. It was understood by the Board Office that similar changes would be proposed by Iowa State University and the University of Northern Iowa for consideration by the board in November.

The Board Office said that earlier this year the Board of Regents approved the establishment of an interinstitutional committee to study the effects of various retirement policies on the role and needs of older faculty and staff members, as well as the implications of policies on employer institutions. A report on that study will be submitted to the board in December.

MOTION:

Mr. Brownlee moved the board approve the University of Iowa's request to change the mandatory retirement age for its teaching, research, major administrative and professional employees from age 68 to 70. Mr. Wenstrand seconded the motion.

Regent Slife asked if the interinstitutional committee established earlier this year discussed whether there should be a mandatory retirement age. President Boyd responded that the committee is now reviewing that matter. President Boyd reported that the university's request simply was to conform to the law but was accelerating the effective date of same.

Regent Harris asked why Congress made an exception in the law for colleges and universities to be permitted to retire tenured faculty at age 65 until 1981. President Boyd said he felt that exception was ill-advised and added he felt that faculty and professional and scientific staff should be treated the same as others. He went on to say, however, that the big issue is whether there should be a mandatory retirement age at all. He said that while he had great reservations about the issue, he felt that there should be no exceptions in any law made.

VOTE ON MOTION:

The motion passed unanimously.

NAME CHANGE ACTION. The board was requested to approve the name change of the Department of East Asian Languages and Literature to the Department of Asian Languages and Literature at the University of Iowa contingent upon appropriate responses to the questions raised by the Board Office.

The Board Office reported that a review of the catalog description of the Department of East Asian Languages and Literature bears out the university's assertion that the departmental course offerings have been, for some time, broader than its name suggests. The department offers two programs leading to the B.A. degree, one primarily for those interested in studying the culture and civilization of traditional and modern Asia, and the other intended for those who wish to concentrate on developing competence in one of the Asian languages offered. Graduate study in Asian civilization at the M.A. level is also offered by the department.

The Board Office requested the university indicate if the change in name is expected to result in the development of new broader programs related to Asian languages and literature. This raises the question of whether the university will be providing additional faculty and resources to the department as a result of the broadening of the department's name. If so, the Board Office recommended the matter be referred to the Committee on Educational Coordination for review.

President Boyd noted that the change in name would not result in the development of new broader programs as the change would simply reflect what has been offered by the department. He said the name change would most accurately reflect the scope of those offerings.

MOTION:

Mr. Slife moved the board approve the name change of the Department of East Asian Languages and Literature to the Department of Asian Languages and Literature at the University of Iowa. Mrs. Belin seconded the motion and it passed unanimously.

PARIETAL RULE. The Board Office recommended the board hear the presentation by the University of Iowa Student Association and refer the matter to the University of Iowa and the Board Office for study, with the understanding that a report would be made on the issue at a future board meeting.

President Petersen reported that the following University of Iowa students were present for discussion purposes: Jim Dolan, Student Association Research Director; Paul McAndrew, Student Senate Housing Committee Chairperson; Niel Ritchie, President, Collegiate Association Council; John Frew, Vice President, Student Senate; and Donn Stanley, President, Student Senate.

The Board Office indicated that the report by the University of Iowa Student Association consisted of four basic parts. The first section contained background information concerning the development of the parietal rule at the University of Iowa. A second section of the report focused on the financial situation of the dormitories. The third section of the report listed the parietal rule legal issues (as seen by the Student Association), a Student Senate survey regarding the parietal rule at other schools, and a Collegiate Association Council survey of University of Iowa student attitudes regarding the parietal rule. The final section of the report provided recommendations to the board.

According to the report, the parietal rule was established in response to declining residence hall occupancy rates in the late 1960s. The resolution setting forth the parietal rule was submitted and passed at the January 1971 meeting of the Board of Regents. At subsequent meetings, representatives of the Student Association at the University of Iowa have requested that the parietal rule be rescinded; however, the board has upheld the parietal rule. More recently, however, the parietal rule has been the subject of much debate between the students and administrators at the University of Iowa. A six-month campaign was launched in May of 1978 and culminated with the report to the university administration and the State Board of Regents.

The parietal rule legal issues presented in the report follow:

- 1) Discrimination Issue Number One. It is clear that not all students are forced to bear the indebtedness of the bonds to pay for the residence halls equally. The exemptions include being a veteran, 23 or over, married or in a Greek house, or living at home. These exceptions are meant to make the rule less arbitrary but their effect is to cause differential treatment to different freshpersons and sophomores.
- 2) Discrimination Number Two. Board of Regents policy 7202-2 (262) authorizes the parietal rule. This rule is vigorously enforced at the University of Iowa and the University of Northern Iowa. It is not enforced at all at Iowa State University. It seems that this clearly discriminates against students at the University of Iowa and the University of Northern Iowa. These students face different treatment while all are regental schools, supposedly covered by the same policies.

- 3) Abridgement of Constitutional Rights. The basic human rights of privacy and freedom of association are denied by the parietal rule. Under the rule, one has no choice about sharing one's living quarters and in most cases one's basic health area (toilet, shower, etc.) with many others. Freedom of association, a right of paramount importance in our society, is abridged by the parietal rule. The rule does not give the individual freedom to choose whom he/she will live with.

In June of 1978, the Student Senate at the University of Iowa administered a short questionnaire to 360 colleges and universities across the country regarding the status of parietal rules. According to the results of this survey, regulations regarding students to live on campus existed at about half of the schools responding to the questionnaire. Forty-eight percent of the schools with enrollments of more than 10,000 do not require any students to live on campus. Twenty percent of these schools have never had a parietal rule and others have recently eliminated on-campus housing requirements.

The Collegiate Association Council survey was presented the board in support of the contention that students at the State University of Iowa are not supportive of the parietal rule. The report concluded with a recommendation to the board that the parietal rule currently in effect at the University of Iowa be suspended for an indefinite period.

The board's discussion began with preliminary remarks by Mr. Dolan. He briefly outlined the process involved in the preparation of the report on the parietal rule presented by the University of Iowa Student Association.

Mr. McAndrew said it is the wish of the Student Senate Housing Committee to cooperate and work with the board and the University of Iowa administration in any way possible to see better living conditions in the residence halls established. He said better living conditions could be arranged that would include educational aspects and the financial aspects of those arrangements. Mr. McAndrew specified several programs the Student Senate Housing Committee has sponsored pertaining to the parietal rule issue. Some of those activities included: lobbying for key administrators at the university against the parietal rule, sending letters to newspapers, radio stations, and radio stations presenting the students' side of the parietal rule issue, petitioning in the Memorial Union, open forums, etc. Mr. McAndrew said the students are not unwilling to compromise on the parietal rule issue. He said the students are willing to work with whoever is necessary to bring about the best living conditions possible for the students.

Mr. Ritchie reported that earlier this spring the Collegiate Association Council developed a new branch in the Student Interest Research Institute to study, specifically, the parietal rule issue. He noted that the results of that survey were provided to members of the board. Fifty-nine percent of the students surveyed indicated non-support of the parietal rule. He added that 22% of the students indicated support for the parietal rule but only 1% indicated strong support for same.

Mr. Frew stated that the parietal rule has some negative implications in that differences in socializing preferences can be disruptive and often result in unfavorable living conditions. He said students under the parietal rule have no recourse and this lack of alternative may foster increasing patterns

of disruptive behavior. Mr. Frew stressed that freedom of choice is a necessary element in our culture. Mr. Frew said that two points in favor of the parietal rule should also be considered, however, in that there are benefits derived from dormitory living and income derived from those students living in the dormitories helps pay off the residence hall bonds.

Mr. Frew said the board needed to be convinced that occupancy levels in the University of Iowa dormitories are high enough to assure that the dormitory programs will proceed and expand without the parietal rule. Mr. Frew cited comments from the January 1971 minutes indicating that the parietal rule was initiated for purposes of finances. Mr. Frew said that while the parietal rule was necessary at that time, perhaps, it is not necessary now.

Mr. Frew went on to explain that temporary housing problems could be alleviated if the parietal rule were abandoned. He also noted that if students were given a choice of whether or not to live in the dormitories, graduate students could have more of an opportunity to live in the dormitories. He provided an example of 150 graduate students being turned away two weeks before school started because of lack of space in the dormitories. Because of student willingness to live in the dormitories, Mr. Frew urged the board to reconsider its policy now being enforced.

Mr. Stanley noted the Board Office recommendation was to refer this matter to the University of Iowa and the Board Office for study. He concurred with that recommendation. He said that the students would like to work on refinement of the parietal rule issue with the help of university administration in consultation with the students. He said the students want to know what areas need further investigation in this matter before the matter comes back to the board for the final resolution of the issue.

Mr. Stanley noted, in response to question, that the Student Senate has proposed action that the parietal rule be eliminated to be reinstated whenever the board felt necessary. Regent Harris then inquired as to when the students would like a response to the parietal rule issue. Mr. Stanley said resolution of the issue was recommended as soon as possible. He noted the transiency of student committees with each passing year.

MOTION:

Mr. Barber moved the board refer the parietal rule matter to the University of Iowa and the Board Office for further study with the understanding that a report will be made as soon as possible at a future board meeting. Dr. Harris seconded the motion.

Mr. Ritchie asked if "as soon as possible" could mean that the report would be before the board at its January meeting. President Petersen said the motion did not indicate a specific time frame but said she hoped that the matter could be reconsidered when the board discussed its annual dormitory reports.

Regent Bailey raised two matters of concern with respect to the students' request to abolish the parietal rule. First, he said he felt the students were asking to change the board's mind with respect to the "educational benefit" of dormitory housing. He said that while polls showed that the majority of students felt that dormitory living was beneficial to freshman students, the figures indicated otherwise at the sophomore level. Secondly, Regent

University Hospitals and Clinics -- Fire Protection Improvements -- Fourth Floor General Hospital
Award to: Burger Construction Co., Iowa City, Iowa \$ 59,270.00

Hydraulics Research East Annex -- Replacement of Roof and Supporting Structure
Award to: Western Waterproofing Co., Inc., West Des Moines \$ 41,900.00

An irregularity on this project, which was waived by the executive secretary, was the receipt of a single bid. Evidently, bidders' choice was involved in the decision not to bid and, in addition, the type of installation proposed by the single bidder was inspected on other projects and was satisfactory in every respect.

The following construction contract was called to the board's attention:

Mormon Handcart Historical Site

The Board Office reported that bids were received on this project on October 3. The amount budgeted for construction was \$24,800. This project is funded from a gift to the University of Iowa Foundation from the Church of Jesus Christ of Latter Day Saints. A single bid was received in the amount of \$61,597.50. It was recommended that this single bid be rejected and that the scope of the project be reviewed with the potential of rebidding the project at a later date.

The following new projects were recommended for approval:

Repair Five Handball Courts -- Field House
Source of Funds: University RR&A \$ 19,200.00
University Physical Plant Department -- Engineer and Inspection Supervisor

University Hospitals and Clinics -- Internal Medicine Office Remodeling
Source of Funds: University Hospitals Building Usage Fund \$ 31,350.00
University Architect's Office -- Architect and Inspection Supervisor

University Hospitals and Clinics -- Fourth Floor Neurosurgery Clinic Remodeling
Source of Funds: University Hospitals Building Usage Fund \$ 98,000.00

(The board, at its September meeting, ratified institutional selection of R. Neumann Associates, Iowa City, Iowa, to provide planning and supervision on the above project at a fixed fee of \$9,845.00.)

Alumni Center Remodeling

Source of Funds: University of Iowa Foundation \$ 70,500.00

The university also requested the board ratify its selection of Pierce King Associates, Iowa City, Iowa, to provide final design services on this project on an hourly rate basis for a total fee not to exceed \$5,000.

The following consultant contracts were recommended for board ratification:

Lindquist Center Area -- Site Planning

The board was requested to ratify contract entered into with Krause-Gardner Associates, Des Moines, Iowa, to conduct a preliminary study to establish project design, framework and a preliminary budget with project description. Fees shall be on an hourly rate basis not to exceed \$14,000 plus reimbursable expenses. Work shall be completed by February 1, 1979. The board had previously granted the university permission to negotiate for services at its July meeting. At that time, it was expected that the contract would exceed \$25,000.

Psychiatric Hospital -- East Ward Remodeling

The board was requested to ratify selection of R. Neumann Associates, Iowa City, Iowa, to provide contract administration and project quality control during the construction of this project on an hourly rate basis not to exceed \$1,000.

Radiology Simulator -- University Hospitals

The board was requested to ratify selection of Moore-Binghan & Associates, Cedar Rapids, Iowa, to provide final design services on an hourly rate basis and including out-of-pocket expenses not to exceed \$5,565.

Eastlawn Remodeling -- Basement and Third Floor

The board was requested to ratify selection of Brown Healey Bock, Cedar Rapids, Iowa, to provide architectural services for a preliminary study to establish project design framework and a preliminary budget with project description on an hourly rate basis not to exceed \$1,500.

Graphic Services Building -- Replace Air Conditioning System

The board was requested to ratify selection of Kimmel-Jensen-Wegerer-Wray, Rock Island, Illinois, to provide engineering services to include a preliminary study and site survey services on an hourly rate basis not to exceed \$6,500.

University Theatre -- Replace Theatre Stage

The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide engineering services including a preliminary study and testing services on an hourly rate basis not to exceed \$4,800.

Museum of Art -- Repair Patio

The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide special testing services on an hourly rate basis not to exceed \$8,300.

University Hospitals Electrical Substations -- Contract 2 - General Construction

The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide special engineering services on site survey and testing on an hourly rate basis not to exceed \$4,350.

Pedestrian Overpass over Highway 6 and Grandic Railroad at the Law Commons

The board was requested to ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide engineering services limited to a preliminary study to establish project design framework and a preliminary budget on an hourly rate basis not to exceed \$2,800.

MOTION:

Dr. Harris moved the board approve the Register of Capital Improvement Business Transactions for the month of October 1978; ratify the construction contracts approved by the executive secretary as recommended above; reject the Mormon Handcart Historical Site bid with review of project to ensue with the potential of rebidding at a later date; approve the new projects as shown above; ratify consultant contracts as recommended above; and authorize the executive secretary to sign all necessary documents. Mrs. Belin seconded the motion. The motion passed unanimously.

JOHN F. MURRAY ENDOWMENT FUND. There were no changes in the investment portfolio for the quarter ending September 30, 1978 of the John F. Murray Endowment Fund.

RESOLUTION OF PUBLIC HEARING. The board was requested to adopt a resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Chilled Water Plant Expansion - Phase III, Contract 2, Cooling Tower on the campus of the State University of Iowa and for a notice to contractors of bidding thereon. The resolution set the public hearing for the project for 1:00 p.m., Central Standard Time, on November 16, 1978 at the Board Room at the Iowa School for the Deaf in Council Bluffs.

This is a \$1,765,000 project funded from hospital revenue bonds. The board approved the project and budget at its July meeting and approved an engineering contract with Stanley Consultants, Inc., at its September meeting.

MOTION:

Member Slife introduced and caused to be read the resolution hereinafter set out entitled, "Resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Chilled Water Plant Expansion - Phase III, Contract 2, Cooling Tower on the campus of the State University of Iowa and for a notice to contractors of bidding thereon." Member Slife moved that said resolution be adopted, seconded by Member Barber, and after due consideration thereof by the board, the president put the question and, upon roll being called, the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Slife, Wenstrand, Petersen.

NAY: None.

ABSENT: Shaw.

Whereupon the president declared the resolution duly adopted.

AGREEMENT ON INSTITUTIONAL ROAD PROJECT. The board was requested to approve an agreement between the Iowa Department of Transportation, Highway Division, and the State Board of Regents which authorizes the University of Iowa to provide design engineering and construction management and to let and construct an institutional road project entitled "Lighting Mormon Trek Boulevard and Hawkeye Apartment Drives."

The Board Office reported that estimated cost of construction of this project is \$125,000 with design and inspection costs being an additional \$17,000. The university would be reimbursed for funds used in the project from the State Parks and Institutional Roads Fund in 1979.

MOTION:

Mr. Bailey moved the board approve an agreement between the Iowa Department of Transportation, Highway Division, and the State Board of Regents which authorizes the University of Iowa to provide design engineering and construction management and to let and construct an institutional road project entitled "Lighting Mormon Trek Boulevard and Hawkeye Apartment Drives." Mr. Wenstrand seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the State University of Iowa. There were no additional matters raised for discussion.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, October 18, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of September 1978 were ratified by the board.

APPOINTMENT. The board was requested to approve the following reappointment:

Robert M. Stewart, Jr., as Professor and Chairman, Department of Computer Science. This reappointment of chairman is effective for the period from July 1, 1979, through June 30, 1984. Salary as budgeted for 1979-1980.

MOTION: Mr. Brownlee moved the board approve the reappointment of Robert M. Stewart, Jr., as Professor and Chairman, Department of Computer Science as shown above. Mr. Slife seconded the motion and it passed unanimously.

APPOINTMENT. The board was requested to approve the following reappointment:

Bert E. Nordlie as Professor and Chairman, Department of Earth Sciences. This reappointment as chairman is effective for the period from July 1, 1979, through June 30, 1984. Salary as budgeted for 1979-1980.

MOTION: Mr. Brownlee moved the board approve the reappointment of Bert E. Nordlie as shown above. Mr. Slife seconded the motion and it passed unanimously.

ACADEMIC CALENDAR FOR 1979-1980. The board was requested to approve the proposed calendar for Iowa State University for 1979-1980.

The Board Office reported that the calendar proposed continued the same general pattern as calendars previously approved by the board for Iowa State University and included the stipulated number of holidays to make it consistent with state statute.

MOTION: Mr. Wenstrand moved the board approve the academic calendar for Iowa State University for 1979-1980 as proposed by that institution. Mr. Barber seconded the motion.

Regent Belin said it has been called to her attention that sometimes the institutions' academic calendars do not have provisions made for religious holidays of minorities. She inquired as to what kind of recourse such

A letter was presented the board for information from the University Bank and Trust Company of Ames, Iowa, setting out certain additional requirements upon its advancing \$200,000 to initiate Phase I construction. These included a requirement that the bank obtain a written guarantee from a substantial Iowa State University affiliated organization (unnamed) in the amount of actual funds advanced up to a maximum of \$200,000.

Concerns raised by Iowa State University in May of 1977 have been answered in part by an inclusion in the lease agreement that the university will give prior approval to any architectural, grading, engineering and landscaping plans by the city of Ames, and by the site selection involved. This site will be on land that is for the most part now in grass and is not used to any great extent by the dairy farm operations. The building will also be located below the crest of a hill and will be of low visibility. Further, the location chosen will enable maximum utilization of facilities already in place on part of the adjacent land owned by the Iowa State University Research Foundation, such as the use of the existing parking space of the old golf and country club-house building and through street and utility service development planned by the Research Foundation as part of its Gateway Hills project.

The Board Office noted that the project should not be viewed solely as a community betterment undertaking in that the alternate ice facility will greatly alleviate scheduling and operational costs problems in the Hilton Coliseum for ice skating programs.

After construction, the Board Office noted that the proposed operating plan is that the alternate ice facility will be self-supporting through user charges.

MOTION:

Mr. Barber moved the board approve a lease agreement between Iowa State University and the city of Ames for a 7.05 acre, more or less, tract of land located at the southeast corner of the university dairy farm for the construction of an ice arena. Mr. Bailey seconded the motion and on roll call the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Slife, Wenstrand, Petersen.

NAY: None.

ABSENT: Shaw.

The motion passed.

RESOLUTION OF PUBLIC HEARING. The board was requested to adopt a resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Utilities - Chilled Water System Additions - 1977, Division 5 on the campus of Iowa State University and for a notice to contractors of bidding thereon. The resolution set the public hearing on the project for 1:00 p.m., Central Standard Time, on Thursday, November 16, 1978, in the Board Room, Iowa School for the Deaf, Council Bluffs, Iowa.

The Board Office reported that this contract is one of a series on this \$2,655,000 academic revenue bond funded project which involves the installation of a 5,000 ton centrifugal chiller, cooling tower cell and extension of the chilled water distribution system from the area of the Campanile to Carver Hall, completing the south loop.

MOTION:

Member Bailey introduced and caused to be read the resolution hereinafter set out entitled, "Resolution providing for a notice of hearing on proposed plans, specifications and form of contract for Utilities - Chilled Water System Additions - 1977, Division 5 on the campus of Iowa State University and for a notice to contractors of bidding thereon." Member Bailey moved that said resolution be adopted, seconded by Member Belin, and after due consideration thereof by the board, the president put the question and, upon roll being called, the following voted:

AYE: Bailey, Barber, Belin, Brownlee, Harris, Slife, Wenstrand, Petersen.

NAY: None.

ABSENT: Shaw.

Whereupon the president declared the resolution duly adopted.

ANKENY RESEARCH CENTER -- FIRE LOSS. The Board Office reported that on September 15, 1978, the so-called Fitch Barn, a structure of 3,600 square feet, was severely damaged by fire. The structure was built in 1939 as a horse barn and has been used for hay storage and dairy calf housing since 1958.

Since this is a fire loss, under the state's self-insurance program, a claim will be made to the State Executive Council. The university is still in the process of pulling together details of that claim and has not as yet submitted the information to the Board Office.

It was noted that the university proposed the replacement of this space by two buildings: one for hay storage and the other for calf housing. This action is shown under the Register of Capital Improvement Business Transactions minutes item which follows.

Vice President Moore orally indicated that the university has not yet filed the final fire loss report to the Executive Council. He said the university is still in the process of finalizing that loss. Vice President Moore noted that the fire caused a substantial loss of hay, straw, equipment, and machinery, in addition to the structure itself.

In absence of objections, President Petersen accepted the fire loss report for the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the period of September 23 through October 18, 1978, had been received by him, was in order, and recommended approval with tentative project approval for purposes of letting design proceed on the new project, "Ankeny Research Center - Hay Storage Building and Calf Housing Building."

The following construction contract was presented for ratification, having been awarded by the executive secretary:

Car Pool Office Building -- Wash Bay Addition

Award to: R. Friedrich and Sons, Inc., Ames, Iowa \$36,826.00

(The Board Office reported that the irregularity waived by the executive secretary was that the award to the low bidder created a need to increase the project budget by approximately \$3,000. The board had previously approved at its September meeting the project and an initial estimate for the project of \$38,000. This irregularity was waived as the preliminary budget was listed as being an initial estimate. Further, the source of funds is the University Car Pool Account. The car pool has agreed to fund this slight overrun. Award was also made so that the work could proceed without delay. The board was also requested to approve a project budget of \$41,000.)

The following revised budgets and contract change orders were presented for approval:

Music Building

The Board Office reported that at the time contracts were awarded for the Music Building in August and ratified formally in September, the university indicated that it was planning to negotiate with prime contractors to place under contract via change orders bid alternates central to the music function of the building. The budget submitted at that time had a budget line reserved for contract change orders with an amount of \$92,338.

Negotiations have now proceeded to the extent that the university wishes to effect a change order with Vulcan Construction Co., the general contractor, to add back in Alternates 1, 2, and 3 for carpet, casework and lockers, respectively. The university also submitted a revised project budget which shows this addition to the Vulcan contract and indicates that the budget line reserved for contract change orders is now established at \$25,338. The university indicated that it anticipates a change order incorporating bid alternate #4 for acoustical control components to be effected within the next month.

Horticulture Building Addition and Remodeling

The Board Office stated that when the awards for contracts were approved on this project on October 5, the university indicated that it intended to reinstate deducted changes on a new greenhouse, two sterilizers and three insulated cold storage rooms within the next month utilizing a combination of nonappropriated supplemental funds and contingency funds. The successful bidders agreed to allow until November 1, 1978, such reinstatement at the same price as the accepted credit.

The university is now able to effect a change order to McHan Construction, Inc., the general contractor, in the amount of \$138,248, and a change order to Sweeney-Manning-Seivert Mechanical Contractors, Inc., which acts as both the mechanical and electrical contractor, in the amount of \$19,258.

A revised project budget was also submitted increasing the overall cost of the project to \$2,572,000. This \$112,000 addition comes from the Committee

for Agriculture Development and is intended specifically for usage on the reinstatement by change order of the three items mentioned above. The difference between the \$112,000 and the actual cost of \$157,506 will come from the project contingency fund.

The following new project was recommended for approval:

Ankeny Research Center - Hay Storage Building and Calf Housing Building
Estimated Cost: \$75,000.00

The Board Office noted that the Fitch Barn was severely damaged by fire on September 15, 1978. (Further information pertaining to the fire is presented in the minutes report preceding the Register of Capital Improvement Business Transactions.)

Following an evaluation of the fire damage, an independent professional engineer strongly recommended that the remains of the barn be razed and that two separate buildings be built to better accommodate functions of hay storage and calf housing.

The initial project estimate is \$75,000. Engineering inspection services would be furnished by the Agriculture Experiment Station--Engineering Services. Since this is a fire loss, it is expected that the Executive Council will fund this replacement of space. That final request has not yet been submitted to the Executive Council or to the State Auditor. The Executive Council acts almost entirely in these matters on the recommendation of the State Auditor. While the university does have the advantage of a professional engineer recommending a replacement of space lost through construction of two separate buildings, it does not have the opinion of the State Auditor on the matter.

It was therefore recommended that the board give tentative approval to this project so that the institution can proceed through design with a report being furnished to the board on funding for the project following Executive Council action. Award of contracts would not be recommended until fund sources are confirmed. There is some urgency, according to the farm people, in undertaking the construction of the building for hay storage so that it can be completed by May 1, 1979, to store hay contracted for delivery at that time. However, until the Board Office receives more detail on the project and also discusses the approach with the State Auditor, the Board Office could not recommend full approval of the project. The Board Office did recommend, however, that the institution proceed through the design stage for the hay storage building, in particular.

In discussion of the capital register, Regent Bailey noted that the Committee for Agriculture Development should be thanked for the \$112,000 gift toward the Horticulture Building Addition and Remodeling project.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the period of September 23 through October 18, 1979, ratify award of the Car Pool Office Building -- Wash Bay Addition project; approve the revised project budgets and contract change order actions recommended above; give tentative project approval for purposes of letting design proceed on the new project, "Ankeny Research Center -- Hay Storage Building and Calf Housing Building;" and authorize the executive secretary to sign all necessary documents. Mrs. Belin seconded the motion and it passed unanimously.

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

RETIREMENT. Vice President Moore reported that Iowa State University would be bringing in a docket item next month on the retirement age at the university.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, October 18, 1978.

REGISTER OF PERSONNEL CHANGES: The actions reported in the Register of Personnel Changes for the University of Northern Iowa were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported that the Register of Capital Improvement Business Transactions for the period of September 12 to October 6, 1978, had been received by him, was in order, and recommended approval.

The following construction contracts, having been awarded by the executive secretary, were recommended for board ratification:

Coal-Fired Boiler Replacement and Auxiliaries -- Contract C-7 -- Equipment Foundations

Award to: John G. Miller Construction Co., Waterloo, Iowa \$292,100.00

Handicapped Accessibility Program -- Phase II -- Wright Hall Elevator Contract

Award to: Claude Gardner Construction Co., Waterloo, Iowa \$ 73,163.00

Handicapped Accessibility Program -- Phase II -- Restroom Modifications Contract

Award to: Claude Gardner Construction Co., Waterloo, Iowa \$ 37,630.00

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the period of September 12 to October 6, 1978, ratify the construction contracts as shown above, and authorize the executive secretary to sign all necessary documents. Mr. Barber seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the University of Northern Iowa.

FACULTY DEVELOPMENT LEAVES. Vice President Martin noted that the university will be docketing information pertaining to faculty development leaves at the institution in January or February of next year.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, October 18, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of September 1978 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no items reported on the Register of Capital Improvement Business Transactions for the month of September 1978.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the Iowa School for the Deaf.

ACADEMIC SEMINAR. President Petersen said the board is looking forward to hearing the plans of the Iowa School for the Deaf preceding the November board meeting.

ANNUAL VISIT, IOWA SCHOOL FOR THE DEAF. Mr. Barak reported that the early part of last week a group of representatives of the State Department of Public Instruction went out to the Iowa School for the Deaf for an annual visit. It was noted that by November the Iowa School for the Deaf will be in complete certification status with respect to its teachers and will be receiving a letter of compliance at that time confirming same. It was noted by the state team that the Iowa School for the Deaf has gone the farthest in terms of meeting the intent of the law with respect to certification requirements of its teachers.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, October 18, 1978.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of September 1978 were ratified by the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. Executive Secretary Richey reported the Register of Capital Improvement Business Transactions for the month of October 1978 had been received by him, was in order, and recommended approval.

The following new projects were recommended for approval:

Phase II Administrative Offices

Source of Funds: Capital Appropriation Balances \$74,000.00

(This project would complete the remodeling and relocation of all offices to the south half of the main floor in the Main Building. It is felt that consolidation of these offices would improve efficiency of the overall administration of the school as well as effect economies in view of the mechanical changes for heating and cooling on a year-round basis.)

Conference Room

Source of Funds: Capital Appropriation Balances \$34,000.00

(This project remodels the auditorium into a dual-purpose facility. The school has long needed a conference space, centrally-located, for staff and board meetings.)

Walkway to Gymnasium from Rice Hall

Source of Funds: Capital Appropriation Balances \$70,000.00

(This project would complete the present tunnel system and provide enclosed access to all dormitories and the Main Building. The walkway is urgently needed in view of the mobility restrictions of the multi-handicapped students.)

The Board Office reported that the 1977 Legislative line-itemed an appropriation of \$240,000 for renovation/remodeling at the school. The first phase undertook the following projects:

- 1) Renovation of the dining room on the first floor of the Main Building
- 2) Phase I -- Relocation of administrative offices in the Main Building
- 3) Renovation of the Instructional Materials Center/Production Center on the second floor of the Main Building

Because operating balances available to the school for fiscal year 1977-1978 were used to partially fund the above-named projects, approximately \$138,000 is available to undertake the three new projects recommended above. It is expected that there will be some balances also available from the allocations

and appropriations made to the school for fire safety modifications in addition to the capital appropriation balances.

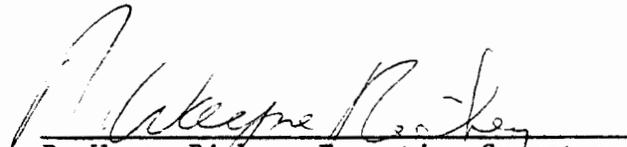
The Board Office recommended the school be authorized to negotiate for architectural services for the three new projects recommended above. A contract for architectural services would be brought back to the board for approval at a later time.

MOTION:

Mr. Bailey moved the board approve the Register of Capital Improvement Business Transactions for the month of October 1978, approve the three new projects shown above and authorize the school to negotiate for architectural services for same, and authorize the executive secretary to sign all necessary documents. Mr. Wenstrand seconded the motion and it passed unanimously.

President Petersen asked board members and institutional executives if there were additional matters to be discussed pertaining to the Iowa Braille and Sight Saving School. There were no additional matters raised for discussion.

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:30 p.m. on Wednesday, October 18, 1978.


R. Wayne Richey, Executive Secretary