

The State Board of Regents met at the Iowa School for the Deaf on Wednesday, September 16, 1981. Those present were:

	<u>September 16, 1981</u>
Members of State Board of Regents:	
Mr. Brownlee, President	All Sessions
Mrs. Anderson	All Sessions
Dr. Harris	All Sessions
Mrs. Jorgensen	All Sessions
Mr. McDonald	All Sessions
Mrs. Murphy	All Sessions
Mr. Neu	All Sessions
Mr. Nolting	All Sessions
Mr. Wenstrand	All Sessions
Office of State Board of Regents:	
Executive Secretary Richey	All Sessions
Director Barak	All Sessions
Director McMurray	All Sessions
Director Sonnenschein	All Sessions
Ms. Baker, Secretary	All Sessions
Assoc. Dir. Caldwell	All Sessions
Director Wright	All Sessions
State University of Iowa:	
Acting President Priestersbach	All Sessions
Vice President Bezanson	All Sessions
Acting Vice President Moll	All Sessions
Assistant Vice President Small	All Sessions
Assistant to President Mahon	All Sessions
Director Hawkins	All Sessions
Iowa State University:	
President Parks	All Sessions
Vice President Hamilton	All Sessions
Vice President Moore	All Sessions
Assistant Vice President Madden	All Sessions
Assistant to President Crawford	All Sessions
Vice President Christensen	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
Business Manager Berry	All Sessions

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The following business pertaining to general or miscellaneous items was transacted on Wednesday, September 16, 1981.

INTRODUCTION: Superintendent DeMott introduced Daniel Wirth, the new Director of Student/Home Services at Iowa Braille and Sight Saving School. President Brownlee welcomed Mr. Wirth.

APPROVAL OF MINUTES. The minutes of the July 13, July 17, and July 31, 1981 board meetings were approved as distributed. President Brownlee stated that any additions or nonsubstantive changes could be turned in to the secretary.

INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Department of Social Work - University of Northern Iowa. It was recommended that the board approve the proposal to separate Social Work from the Department of Sociology/Anthropology and establish Social Work as a separate department.

In June, the board referred this request to the Interinstitutional Committee on Educational Coordination and the Board Office for review. The Interinstitutional Committee reviewed the program and recommended it for approval.

The university noted that there may be some budgetary consequences of this change. There is no plan to increase the budget of the Social Work area for supplies, services, equipment, or secretarial assistance. The recruitment of a department head could entail some additional salary expense. The Interinstitutional Committee reported that in addition to the hiring of the department head, the principal budget adjustment would also include the upgrading of one secretarial position (\$1,000).

The Board Office recommended that this request be approved.

MOTION:

Dr. Harris moved that the board approve the request from the University of Northern Iowa to separate Social Work from the Department of Sociology/Anthropology and establish Social Work as a separate department. Mr. McDonald seconded the motion and it passed unanimously.

b. Ph.D. Degree in Family Environment - Iowa State University. It was recommended that the board approve the request of Iowa State University

to offer the current Ph.D. degree in Family Environment as an independent degree rather than as a joint major with other disciplines.

In June, the board referred this proposal to the Interinstitutional Committee on Educational Coordination and The Board Office for review. The Interinstitutional Committee reviewed the proposal and recommended it for approval.

The university indicated that a student in a joint program is taxed to meet the requirements of two majors, often spending an inordinate amount of time, motivation, and financial resources on additional course work that may not be directly related to the student's objectives.

The Interinstitutional Committee pointed out that no additional resources will be necessary to change from a joint to an independent Ph.D. degree. The proposal mentioned a need for additional resources for space, graduate assistants, and computer time, but these are independent of the request for this change. It was assumed that these requests for additional resources for space, graduate assistants, and computer time would come forward even under the current joint program arrangement.

MOTION:

Mr. Wenstrand moved that the board approve the request by Iowa State University to offer the current Ph.D. degree in Family Environment as an independent degree rather than as a joint major with other disciplines. Mr. Nolting seconded the motion and it passed unanimously.

c. Change in Name of Department of Art - Iowa State University. It was recommended that the board approve the request by Iowa State University to change the title of the curriculum in Advertising Design to Graphics Design.

This request was referred by the board in June to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. The Interinstitutional Committee reviewed the request and recommended it for approval.

According to the Interinstitutional Committee, the term "graphic design" appears to be more descriptive of the total breadth of the curriculum involved and of the range of design positions that are being filled by program graduates than the current designation. There were no budgetary implications of this change. It is consistent with current trends in the field.

MOTION:

Mrs. Murphy moved that the board approve the request by Iowa State University to change the title of the curriculum in Advertising Design to Graphics Design. Mrs. Jorgensen seconded the motion and it passed unanimously.

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ACCREDITATION OF NURSING PROGRAMS - UNIVERSITY OF IOWA. It was recommended that the board receive the report of the accreditation of programs at the State University of Iowa College of Nursing by the Iowa Board of Nursing.

The Board Office reported that the University of Iowa received notice of the accreditation of its baccalaureate, graduate, and pediatric nurse practitioner programs by the Iowa Board of Nursing. The accreditation granted to the university is for "full accreditation" which is granted to a nursing program that has met the criteria for accreditation. Full accreditation is granted for five years unless there is evidence that the nursing program is not meeting minimum criteria as set by the board.

The forms utilized by the Iowa Board of Nursing for its accreditation are on file in the Board Office.

President Priestersbach said the university was gratified to have this favorable action in regard to the College of Nursing.

President Brownlee received the report on accreditation of programs in the College of Nursing by the Iowa Board of Nursing on behalf of the board and congratulated the College of Nursing.

REPORT ON MEETING OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. It was recommended that the board develop a position with respect to a proposal that would change the basis for the council's actions in regard to reports on new programs.

The Iowa Coordinating Council for Post-High School Education held its first meeting of the year on September 3, 1981. The Board Office provided a brief summary of the major topics of discussion at the meeting.

The council heard a report on the Lifelong Learning Steering Committee from Forrest Van Oss. He reported that after rescinding previously appropriated funds for Title I-B of the Higher Education Act, Congress authorized \$8 million (versus last year's \$15 million) for Title I-B in the 1982 budget. Decisions on appropriations will be made after Congress returns to Washington next week. He noted that several educational representatives were invited to make their thoughts about appropriations known to Iowa congressmen. Representative Neal Smith is on the House Appropriations Committee (and subcommittees) that will act on this.

Mr. Van Oss made a report for the Lifelong Learning Steering Committee. The committee recommended that the Iowa Lifelong Learning Steering Committee be dissolved until such time as funding under Title I-B is resumed. It also recommended that the statewide organization

designated by the Iowa Coordinating Council to represent continuing education in Iowa, the Iowa Coordinating Committee for Continuing Education, be given the responsibility of maintaining and promoting as much as possible of the work that has begun under the two grants. In keeping with its organizational structure, it was further recommended that the Iowa Coordinating Committee for Continuing Education establish a task force (or forces to work in a particular area such as dissemination of educational information for and to adults).

The Coordinating Council decided not to act on this request, since it felt a need to keep the present structure in place.

This summer the Coordinating Council appointed a committee to provide recommendations for the distribution of Title I-B federal funds. The committee recommended that:

1. The three programs (i.e., Comprehensive Statewide Planning, Information Services, and Continuing Education Projects) continue to be administered through channels currently established, maintaining communication among programs, with recommendations for the following levels of funding (assuming that Iowa is appropriated \$145,000 and that the present authorization guidelines continue):

Section 113 - Comprehensive Planning (20 percent)	\$29,000
Section 114 - Information Services	50,000
Section 115 - Continuing Education	66,000

2. If it is not feasible to administer the programs in this fashion because of the level of funding, it was recommended that the three programs be consolidated with a single administrative unit, with a steering committee and appropriate advisory groups to assist in the direction of the specific program components. The funding formula would be:

Information Services	\$50,000
Administration of all Programs, no more than	45,000
Continuing Education	50,000

The Coordinating Council decided to approve recommendation 1 and did not act on recommendation number 2.

The Coordinating Council heard a report from Robert Barak concerning the activities of the task force developing activities for "Mindpower Week." "Mindpower Week" is a national effort to bring to the public's attention the contributions of higher education to society. Mr. Barak reported that the task force is planning a week of activities for October 3-11, 1981.

The council heard a report regarding the Area Education Agency mandated function of teacher in-service education.

The council heard a report on a meeting to review the concerns relative to the writers' institute in Dubuque that were raised earlier this year. It was reported that representatives from several sectors met and developed a procedure which hopefully will eliminate this problem in the future. The proposed solution was a communicative mechanism to provide consultation regarding various proposed offerings.

The council discussed proposed legislation regarding the registration of in- and out-of-state institutions. The council decided not to act on this matter.

Chairman Callison requested that the council consider the adoption of a proposal that would change the basis for the council's actions with respect to reports on new programs. According to Mr. Callison's proposal, the council was asked to adopt the following:

1. In considering new program proposals, the council would exercise one of three action options: (a) acceptance with no concerns; (b) acceptance with the following expressed concern(s) ---(listing an explanation of concerns); or (c) acceptance action deferred pending the collection of additional information.
2. A response form would be developed for each of the aforementioned options. Following action by the council, a completed response form would be mailed by the secretary to the appropriate official at the institution submitting the program proposal.

The Coordinating Council deferred action on this item until each of the sectors has had an opportunity to discuss the proposal.

The Coordinating Council reviewed several program proposals and these were "accepted" by the council.

President Brownlee noted that Regents Anderson, Jorgensen, and Wenstrand attended the meeting of the Coordinating Council and asked for their comments.

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Regent Wenstrand suggested that the board discuss the proposal made by the chairman of the Coordinating Council regarding acceptance of new program proposals. He said in the past the council has had very little information on these proposals and has allowed little time for discussing them. He did not believe the proposal would change the procedure very much but said it would formalize the acceptance procedure of the council.

Regent Anderson agreed that the proposal would be a formalizing of the general policy of the council and said she looked favorably upon it. Regent Jorgensen also agreed.

Vice President Moll indicated that the council now expressed comments and concerns about new programs for the benefit of the institutions. He said the institutions were concerned that this formal action might be part of a trend toward the council becoming an oversight group.

Vice President Christensen said he agreed with Vice President Moll but said the council does need a format in order to reach an acceptance point. Currently reports are being submitted which are not as complete as they should be in order for members of the council to make these decisions. Vice President Christensen said a more formalized acceptance process would be worth consideration.

Mr. Richey felt this proposal would strengthen the perception of the council as a coordinating and discussing body that issues opinions and comments on proposals. He said this is to the institutions' benefit in the coordination of post secondary education in Iowa. He indicated this was a wise proposal from the standpoint that it would help deter having an oversight group established by statute. Regent Anderson said the council would never exert that kind of authority unless there were external pressures for it to do so. She did not believe this would happen and agreed this action would deter outside pressures from forcing some sort of oversight group. President Brownlee noted that the Coordinating Council does not have statutory authority.

President Brownlee asked if anyone believed the council would move in the direction of being an oversight group in the future. Regent Wenstrand replied that he did not believe there was any interest in moving in this direction by the members of the council. He pointed out that there is a high turnover in the membership of the council.

Vice President Moll indicated that the institutions did not feel strongly about the concern he raised. He said he was assured by the discussion that there is no trend toward the council becoming an oversight group.

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Regent Jorgensen pointed out that private institutions also would not be pleased with this sort of oversight. She said the council makes communication possible and eliminates misunderstandings.

President Brownlee summarized that it was the consensus of the board to support the position of the council in the proposal to adopt a formal procedure for accepting new program proposals. He asked if there were any objections to this and there were none.

SCHEDULE OF THE EDUCATION VISITATION COMMITTEE. The Board Office reported that the Education Visitation Committee of the Legislature has scheduled visits to the three universities in October and November. The committee will be at the University of Northern Iowa on October 6, the University of Iowa on October 7, and Iowa State University on November 4.

The six-member visitation committee consists of the chairmen and ranking members of the Education Appropriations Subcommittee in each house and the chairmen of the Committee on Education in each house. The Senate members are Carney, Van Gilst, and Gratias. The House members are Lind, Horn, and Daggett.

The Education Visitation Committee does not plan to visit the Iowa School for the Deaf or the Iowa Braille and Sight Saving School.

It was noted that some board members customarily attend the meetings of the Legislative Visitation Committees when they are on the campuses.

President Brownlee asked the Regents if they would be able to attend these meetings. Regent Jorgensen indicated that she could attend the meeting at the University of Northern Iowa; Regents Harris and Anderson, the University of Iowa; and Regents Nolting and Wenstrand, Iowa State University.

President Brownlee said the institutions would contact board members with further information. He suggested that any board member planning to attend in addition to those mentioned above communicate with the institutions so they may know who to expect.

COMMITTEE APPOINTMENTS. It was recommended that the board approve the appointments of the persons listed below for their respective committees:

Charles V. Anderson University of Iowa	Iowa School for the Deaf Advisory Committee Term: 1981-83
Austin Mueller University of Iowa	Iowa Braille and Sight Saving School Advisory Committee Term: 1981-83
Elaine Jarchow Iowa State University	Iowa Braille and Sight Saving School Advisory Committee Term: 1981-82

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Anton Netusil Iowa State University	Iowa School for the Deaf Advisory Committee Term: 1981-82
Catherine Hatcher University of Northern Iowa	Iowa School for the Deaf and Iowa Braille and Sight Saving School Advisory Committees
Mary Delaney Consultant	Iowa School for the Deaf Advisory Committee Term: 1981-82
Verna Hart Consultant	Iowa Braille and Sight Saving School Advisory Committee Term: 1981-82
James Albrecht University of Northern Iowa	Committee on Educational Relations

President Brownlee said the board was particularly pleased that Vice President Moll agreed to continue serving on the special school advisory committee and thanked him for it.

MOTION: Dr. Harris moved that the board approve the appointments of the persons listed above for their respective committees. Mrs. Anderson seconded the motion and it passed unanimously.

BOARD OFFICE PERSONNEL REGISTER. It was recommended that the board approve the following Board Office personnel transactions:

Appointments:

Carlotta Parkey, Clerk-Typist III, \$5.25 per hour, effective 7-20-81.
Rebecca Spiess, Clerk-Typist III, \$5.25 per hour, effective 8-10-81.

Resignation:

Carlotta Parkey, Clerk-Typist III, effective 7-31-81.

Change of Status:

Barbara Orend Baker, from Secretary III to Secretary IV, annual salary \$15,754, effective 7-17-81.

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MOTION: Mr. Neu moved that the board approve the transactions in the Board Office Personnel Register. Mr. Nolting seconded the motion and it passed unanimously.

TUITION POLICIES AND RATES, 1982-83. It was recommended that:

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

	1981-82		1982-83	
	Resident	Non-resident	Resident	Non-resident
UNIVERSITY OF IOWA				
Undergraduate	\$ 950	\$2,350	\$1,040	\$2,580
Graduate	1,080	2,486	1,200	2,800
Medical	2,670	4,800	3,200	6,400
Dental	2,000	4,300	2,300	5,000
Law	1,080	2,486	1,300	3,200
IOWA STATE UNIVERSITY				
Undergraduate	\$ 950	\$2,350	\$1,040	\$2,580
Graduate	1,080	2,486	1,200	2,800
Veterinary Medicine	2,000	4,100	2,300	4,800
UNIVERSITY OF NORTHERN IOWA				
Undergraduate	\$ 900	\$1,860	\$ 990	\$2,040
Graduate	950	2,086	1,070	2,330

2. That all of the proceeds of the above rate increases be allocated to the general educational funds of the universities.
3. That \$980,000 of the funds received from the rate increase be allocated to the student aid budgets of the universities for 1982-83.

The Board Office noted that during the last legislative session, strong suggestions were made by persons in both the legislative and executive branches of the state government that the Board of Regents should review tuition policy annually and adjust the rates annually. Several efforts were made during the process of deliberations on the Board of Regents budget to raise tuitions beyond the rates established by the Regents for the 1981-83 biennium. Those efforts were unsuccessful.

The Board Office undertook such a review and proposed that resident undergraduate tuition rates be raised approximately 9.5 percent. Nonresident undergraduate tuitions would be raised by 9.8 percent. All of the factors contained in the board's "guidelines" were taken into consideration in the Board Office's deliberations. When the

recommended tuition rates differed from the policies, the Board Office weighed carefully the compelling factors. The Board Office shared its tuition proposals with the institutions. The institutions in turn carried on considerable discussion with appropriate student representatives as directed by the Board of Regents.

The Board Office said the proposed tuition rates were developed on the basis of the board's "Principles and Guidelines for Establishing Tuition Rates at Regent Institutions." In the statement of "Principles," the board asserted that authority to set tuition should rest with the Board of Regents, that tuition rates should be as low as possible to maintain accessibility for students, and that tuition rates should be flexible and reasonable with respect to the share of costs borne by students and parents. In this statement the board indicated that it wishes to consider the following principles:

1. Inflation;
2. Reasonability of tuition rates in comparison to those charged in institutions in the eleven-state area;
3. Reasonable relationships with aggregate institutional tuition to the total cost of instruction;
4. Some differential in tuition rates for higher-cost graduate and professional programs;
5. Limits on tuition raises from \$50 to \$150 for residents and \$100 to \$300 for nonresidents;
6. Allocation of a considerable portion of income generated by tuition raises to student aid; and
7. Total cost for the student.

The board also indicated that it wishes to consider other factors, such as national tuition levels and income levels.

The rate increases proposed took into consideration the following factors:

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

In the comparison of tuition rates in an eleven-state area, current (1981-82) tuition and fee levels for undergraduates rank eighth for the University of Iowa, seventh for Iowa State University, and tenth for the University of Northern Iowa. For graduates the University of Iowa ranks seventh, Iowa State University, sixth; and the University of Northern Iowa, eighth. The University of Iowa medical tuition and fees rank seventh for resident students and eighth for nonresident students; dental, fifth for resident students and seventh for nonresident students; law, resident student tuition ranks eighth, as does

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nonresident tuition. Iowa State University veterinary medicine tuition ranks third for residents and fourth for nonresident students out of seven institutions.

Tuition rates at Regent universities are below the median of comparable institutions in almost every instance.

In regard to economic factors, the Board Office reported that the Consumer Price Index estimated price inflation at under 9 percent for calendar year 1981 and under 8 per in 1982, as compared with 13.3 percent in 1979 and 12.5 percent in 1980. There are estimates of lower price inflation rates but there is concern about the possibility of higher inflation rates due to interest rates and federal deficits exceeding the administration's plan.

Regarding state revenue, the State Comptroller reported an increase of 12.6 percent for the first two months of 1981-82 over the same period last year. The major portion of the increase was due to a 17.5 percent increase in personal income tax receipts, which was attributable to wage rate increases but also to acceleration of receipts rather than to a real increase. The acceleration of receipts resulted from a statutory change to monthly, rather than quarterly, payment of deposits and assessment of penalties and interest. The State Comptroller indicated that his present estimates of State General Fund income for 1981-82 appear to be reasonable.

The Board Office reported that researchers have studied the question of the relationship between tuition rate increases and enrollment from a variety of approaches. However, to date the answer remains an elusive one. Results vary so widely from study to study that it is impossible to place much confidence in any single figure.

Many researchers believe that changes in tuition affect different types of students differently. Many factors affect decisions regarding college attendance other than tuition increases. Thus, it is almost impossible to isolate the effect a tuition increase has on attendance, assuming that the increase is a moderate one.

The Board Office noted that reductions in Federal financial assistance, beginning on October 1, 1981, are expected, the the exact nature of the reductions is uncertain. Under the Guaranteed Student Loan Program (GSL), changing eligibility requirements will mean that students from families with annual incomes of more than \$30,000 will be eligible for a government-backed loan only if they demonstrate financial need. Also, all borrowers will be required to pay banks a 5 percent fee on their loans. Few loans for 1981-82 will be affected, as the majority are being processed prior to the effective date of the new law. For 1982-83, the eligibility formula may be further revised and it is difficult to predict its overall effects. Changes in the Pell (Basic) Grant Program may also be expected, with reductions of approximately 10 percent

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between 1980-81 and 1981-82. Increasing interest rates for all loan programs are likely, and changes are possible in interest subsidies and in the National Defense Student Loan (NDSL) Program.

The Board of Regents has customarily increased allocations for student aid to offset the effect of increases in tuition. It was proposed that this policy be continued for 1982-83. The Board Office recommended that \$980,000 be set aside from the proceeds of the tuition rate increases in 1982-83 to increase student assistance. This would represent an increase of 11.2 percent overall. The proposed increase in student aid at each institution would be as follows: University of Iowa and Iowa State University, 11.4 percent; University of Northern Iowa, 10 percent. The larger increases at Iowa and Iowa State recognize the much higher percentage increases in the tuitions in their professional schools. It would also recognize that the proportion of their graduate enrollments is higher than at the University of Northern Iowa. Proposed increases in graduate tuitions were higher than those for undergraduate students.

No additional student aid funds were recommended because of possible reductions in federal financial assistance to students next year.

The Board Office explained that income from student tuition and fees is deposited to the universities' general educational funds and to a variety of special funds. The amount of tuition income in the general educational funds, in effect, substitutes for, or complements, state appropriations. Student fees are used for a variety of purposes including debt service for student union and other types of buildings, athletic fees, and student activities. The general fund of the universities contain a substantial budget allocation for student assistance.

Total tuition and fee income for the current fiscal year was estimated to be \$69.6 million. The general educational funds will receive an estimated \$64.1 million, while \$5.5 million is estimated to go to the various special accounts.

It was proposed that all of the proceeds of the recommended increase in tuition and fees be deposited to the general educational funds of the universities. The university educational budgets for 1982-83 have urgent needs that are now unfunded. Since all students benefit from the educational services of the general university, the use of the tuition proceeds for that function would have the broadest benefit to the student body.

Student activity and other fees were raised quite substantially from the proceeds of the tuition and fee adjustments in the current year. Student activity fees at the University of Iowa were held constant through action by the student government.

The proceeds of the larger than average increase in medical tuitions were proposed as an offset to the special request of the University of Iowa for the College of Medicine. This amount was estimated to be \$210,000 in 1982-83.

The preliminary estimated increase in income to the university general educational funds was \$6.8 million exclusive of the \$210,000 set aside for the College of Medicine.

The Board Office recommended that the increased tuition rates be effective with the start of the summer term at each university in 1982. This effective date would allow the institutions to realize the effect of the increased income for the full fiscal year.

The Board Office noted that tuition income as a percentage of total general university budgets has been relatively constant since 1976. The estimated share of the total general university budgets in the current year ranges from 19.7 percent at the University of Northern Iowa to 24.0 percent at Iowa State University. All the general university budgets contain expenditures for research and public service as well as for instruction. If estimated unit costs for undergraduate students are used, the resident student share is 24 percent to 26 percent. Nonresident undergraduate students pay 65 percent to 70 percent at the University of Iowa and Iowa State University and a lesser percentage at the University of Northern Iowa.

It was anticipated that the recommended tuition rates for 1982-83 would at least maintain the percentage borne by students and might increase it slightly.

The Board Office said the proposed tuition rates recognize increasing costs of education and the relative ranking of tuition rates of Regent institutions among comparable institutions in the eleven-state area. The proposed undergraduate resident rates would leave Regent institutions about \$100 lower than the projected median tuition in the eleven-state area. Regent institutions would remain about 10 percent behind the projected median for nonresident undergraduate tuitions. Tuitions for resident graduate students would be at the estimated median next year but nonresident tuitions for graduate students would be about 10 percent below the median.

Tuition in the professional schools would be increased at substantially higher rates than for undergraduate students. Increases of 20 percent for resident and 29 percent for nonresident law students would bring the rates at the University of Iowa to the midpoint of the eleven-state institutions. Similarly, increases of 20 percent for resident

medical students, and 15 percent each for resident dental and veterinary medical students would bring them to the approximate median of comparable institutions in the eleven-state area. A one-third increase in rates for nonresident medical students would put Regent institutions at the median for next year. Such an increase in nonresident medical tuitions would not yield much income because of the relatively low number of nonresident medical students who are not in equal opportunity aid programs.

The proposed increases for nonresident dental and veterinary medicine students were 16 percent and 17 percent, respectively. The rate for nonresident dental students would place them at the projected median next year. Nonresident students in veterinary medicine would be about 7 percent above the estimated median.

It was anticipated that the board would take preliminary action to establish tuition and fee rates for 1982-83 at this meeting. Final action would take place in October. The Board Office said students had had about a week to review the proposed rates. Postponement of final action until October would allow any additional information desired by the board to be developed and also give student representatives an opportunity to supplement the presentations they make at this meeting with any additional written comments they may wish to make.

President Parks began the discussion on the tuition policies and rates by stating his deep belief in the principle of low tuition for public universities. He said public universities were established in the belief that society gains benefits from educating its citizens as well as the citizens receiving benefits.

President Parks said low tuition for state universities and state supported schools is the most effective form of financial aid.

He regretted that the board may find it necessary to review tuition annually and expressed a preference for continuing the biennial review.

Finally, President Parks felt the suggested tuition rates were too high. He noted that a substantial tuition increase of 17% was imposed for the current year and that to impose this much additional tuition immediately following that increase would be a hard burden on the students.

President Spriestersbach agreed with President Parks' statement about his belief in low tuition for state supported institutions. He recognized that the institutions have some very serious budget needs which must be addressed but said maintaining low tuition is important so that there is reasonable accessibility to Regent institutions.

President Spriestersbach expressed a concern that if tuition rates are increased, that there will be commensurate increases in student financial aid. He said this was critical in light of pending cuts in student aid from federal sources.

He also said that if the board gave tentative approval to the tuition increases, that the institution hoped it would have time to carefully examine the ramifications and impact of the increases and provide this data to the Board Office before the board takes final action in October. He said there was concern about the relatively high proposed increases so soon after the increases of last year. This is especially true in the professional and graduate programs. He noted that the sum of increases for 1981-82 and the proposed increased for 1982-83 for resident students would be 119% in medicine, 84% in dentistry, and 37% in law. He said this dramatized the need for commensurate financial aid.

President Priestersbach said the university was also concerned about the proposed differentiation in tuition for graduate students and law students. He noted that they rates have been identical for many years and this has made administration simple. It aids joint administration by the Graduate College and College of Law to equate these groups for tuition purposes. This recognizes the strong similarities between the two students groups in age, years of education, instruction costs, ability to pay, and to some extent, short-term earning power. He noted that about half of the sister institutions maintain this kind of parity between these programs. President Priestersbach joined the faculty of the College of Law in requesting that this parity be continued.

President Kamerick noted that sometime ago the University of Northern Iowa was asked for its opinion on possible tuition and fee increases. He reviewed the statements made then and added a statement.

First, he noted that student comments on tuition and fee increases should be recognized and given weight in the tuition decision. Second, any increases in tuition and fees for 1982-83 should be held to a minimum. Third, decisions on these matters should be reached before November 1. The fourth point was that the proportion of student activity fees should remain the same in any increase. Fifth, it was stated that the resident - non-resident differential should remain small in order to encourage a better mix in the student body by having a number of students from out of state. The sixth point was that student financial aid should be increased if there is an increase in tuition.

President Kamerick noted that the last point was very important because of the anticipated drop in federal aid.

He concluded by saying that the magnitude of the proposed tuition increase seemed quite large.

President Parks introduced student representatives from Iowa State University. They were Tom Jackson, President of the Government of the Student Body (GSB), T.J. Hentjes, Vice President of GSB, Tim Anderson, Senator in GSB, Jean Menken, President of Graduate Student Senate, and Kim Niven, Senator.

Mr. Jackson began the students' presentation by asking the board not to make a final decision on the proposed tuition increases until the October board meeting. He noted that the student government had received the proposal on tuition increases only a week ago and had not had time to study it well.

Mr. Jackson noted that the Regents were considering an 11% increase in state aid. He said that state aid constitutes a small portion of student financial aid available. Of the \$32 million anticipated in financial aid appropriations, Mr. Jackson said \$22 million would be used for the current student loan program. He noted that there would be a new need assessment for the Guaranteed Student Loan program and that there would be a curtailment in the number of students qualifying for that program. Of the appropriated amount \$4 million is for the Basic Education Opportunity Grant (BEOG) program. In the one-year period from 1981 to 1982 there was a \$303 reduction in average individual contributions from BEOGs. This is a very marked reduction in benefits that any student can hope to receive from that program. Mr. Jackson said that state aid constitutes little more than 1/30th of student financial aid. Therefore, an 11% rise in that program will have little positive impact on students' ability to pay for education, especially since federal student aid will be severely curtailed.

He hoped that the Legislature would fund the Regent universities to a more generous extent but was not sure this was a realistic expectation. It was his impression from talking to legislators that they are not aware of any arrangement to bind them to allow the university to keep the extra dollars generated by the tuition increase. He said there was no guarantee that this would significantly aid the universities.

Mr. Jackson said that students who started school last summer and this fall would be hurt by the tuition increases. The increase would amount to over 16% for resident students and 25% for nonresidents at the undergraduate level. He said that students have already made a contribution to meeting the cost of living. He noted that they are faced by other increases in the cost of living.

Ms. Menken said that the graduate students recognized that inflation has taken its toll. She noted that the students must pay more for everything and that most of the graduate students are self-supporting. She said that when graduate assistantship stipends increase by 6 to 8% and tuition increases by 11 to 12%, the students lose financially. She thought the graduate program would lose just as well.

President Kamerick introduced Russell Martin, President of the University of Iowa Student Association. Mr. Martin said the main problem with the proposed tuition increase was a matter of timing. He noted that there was a 16% increase in tuition at the beginning of the summer and that a 10% increase would be added to it. He said the increase would affect at a time when students are facing severe difficulties.

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He said that the state universities are supposed to provide a low cost education and that the proposed tuition increase could drive out the very students at which the universities are aimed - low income students who want to get ahead.

Mr. Martin noted that the student government had not had a lot of time to review the proposal and hoped the board would not make a final decision until October.

President Spriestersbach introduced the student representatives from the University of Iowa. They were Lori Froehling, President of the Collegiate Associations Council (CAC), Tim Dixon, President of Student Senate, Tom Evans, President of the Medical Students Council, A. J. Allen, Representative of the American Medical Student Association, Sheldon Schur, Vice President of Student Senate, and Dave Kelly, a medical student.

Ms. Froehling began by saying that students are facing extra high costs in areas besides tuition. She noted that Iowa City has a housing problem with a vacancy rate below 1%.

The Financial Aids Office told her it costs \$5,110 for an undergraduate student to live off campus. This report did not take into account increases in rent. The information was as of April 1980. According to the Financial Aids Office, the cost of books increased 25% over the year before. Ms. Froehling said that even the Student Union is increasing prices.

She said that there is some cost containment within the dormitories but out of 25,000 students only 6,000 live in a dormitory. The rest of the students are at the mercy of landlords, grocers, and utility companies.

Mr. Froehling noted that when tuition rates were increased last year, there was a proposal to phase in the medical tuition over a period of two years. The students thought the increase would be for two years.

She noted that when tuition is raised, there is an affect on certain constituencies such as low income and minority students. She said higher education in Iowa should not be limited to the wealthy. Many families have more than one child in college. State and federal financial aid is inadequate to meet the needs of higher education.

Ms. Froehling distributed copies of resolutions from five student associations. The resolutions came from the Iowa Student Bar Association, the Associated Students of Engineering, the Liberal Arts Student Association, the Association of Nursing Students, and the Iowa Student Dental Association. All of the resolutions were against the proposed tuition increase.

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In the case of medical and dental students, Ms. Froehling said that their curriculums require them to be in class. These students do not have enough time to get another job. Many of them will leave school with debts of \$15,000 to \$40,000. She noted that this would have an adverse affect on containing medical costs.

Mr. Evans also submitted a resolution to the board on behalf of the Medical Student Council. This resolution recommended that the Regents not increase the tuition of the students of the College of Medicine.

Mr. Evans said that last year the medical students experienced an 83% increase in tuition. This was justified by the fact it would be a two-year increase. That increase plus the proposed increase would total 119.4%.

He said that medical students are committed to working over 72 hours a week in projects or required course work. They have responsibilities to University Hospitals and Clinics. Medical students are unable to seek summer employment. They do have one summer off which most of them use to participate in other medical education opportunities.

He also made note of the significant cutbacks in financial aid and noted that middle class students are hit very hard by these financial aid cuts.

Mr. Allen indicated that some students were concerned about the possibilities of staying in school. He noted that out-of-state students were facing an even more drastic increase in tuition and said some of these students are minority students who will need additional financial aid. He said if tuition is raised too much and these students are unable to get aid, it will be detrimental to the medical program at Iowa because there will be fewer minority medical students.

Mr. Kelly explained that he is in his second year of medical study. He loves medical school and patient care. He said he was seriously wondering if he would ever become a doctor. He noted that it was necessary for him to take a part-time job this year. Next year he will begin his junior year and will not have the opportunity of working and saving money during the summer. He said a full load of courses would cost from \$8,300 to \$8,500 which is far more than he will be able to borrow. He said that time commitments in his studies will make it impossible to be employed outside of his courses in the third and fourth years of his studies.

Mr. Kelly noted that many people assume that all medical students come from families in which there is a physician, lawyer, or business executive. He said it is true that some students are from affluent families but they also come from other backgrounds.

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Mr. Kelly acknowledged that the College of Medicine could use the \$350,000 that would be raised by the proposed tuition increase but said that there should be a consideration of where the money will come from and who this will hurt. He said that the assumption that increased financial aid would keep deserving students in medical school should be the basis of a thorough investigation.

Mr. Schur said the students would get nothing more for the additional \$690 in tuition. There would not be more faculty, smaller classes, or better equipment.

He referred to some comments in the newspaper which were attributed to some board members that adjustments in tuition would be appropriate because the money is needed so badly and that if the board doesn't raise tuition, the Legislature will. He said it appeared that the fight ended before it even started.

Mr. Schur asked why the Regent universities needed to be compared with other schools such as in the 11-state area.

He said the state should be proud of its institutions and that they offer high quality education that is highly accessible. The Regent universities attract students from all states and some foreign countries. These students come to the University of Iowa because they know it offers a chance to meet and learn from a diverse population. He said increasing tuition would be a way of telling these nonresident students that the institution can no longer afford the luxury of this population.

Mr. Dixon indicated that he talked with President Boyd before he left his position. President Boyd told him the most important thing he could do was to work to keep education accessible and to keep tuition from increasing.

Mr. Dixon said that students have felt the impact of crowded classes, fewer educational opportunities and loss of quality faculty. As the ones who have suffered most, students have been called upon time after time to bear the burden. He also noted the cutbacks in student financial aid.

Mr. Dixon said that the costs for students are sky rocketing in such areas as books. It is difficult to find part-time jobs and students don't have any avenues left to meet these costs.

He noted that last year the students at the University of Iowa addressed the short fall in financial aid by using money that was to be used for student activities. This represented a sizable amount in the student activity fee budget. He noted that there are students from farming families which have valuable farm land but they do not have cash readily available for educational purposes. He said the view that increased tuition offset by an increase in financial aid will not affect accessibility is myopic.

Mr. Dixon said that a proposal was made last year to phase in an 83% tuition increase over the biennium but the board said this would be a departure from biennial consideration of tuition.

Mr. Dixon said that the Board of Regents is the body in the state to determine educational fees and should be proud of low tuition. He asked if the board was going to take its cues from the Legislature or from the students.

Regent Neu responded to the students by noting that the board is sympathetic to the objective of keeping tuition as low as possible. He also agreed that when the board discussed tuition last year, it was hoped that it would be a biennial increase and an additional increase would not be necessary.

In regard to some student comments that the board did not fight for their interests, Regent Neu pointed out that the Appropriation Committee took the Regents to task because it didn't increase tuition enough. An attempt was made to statutorily increase tuition. Regent Neu noted that this has been done in the past and he did not think it proper governance for the Legislature to do this.

Regent Neu said that the board could not ignore the Legislature. He said the board was bothered that the Legislature wanted tuition rates to be higher. If the board does not raise the rates, this will not insure that they will not be raised by the Legislature. He said it was naive to suggest that the board ignore the Legislature.

He said that if the board does not raise tuition, the students should be prepared to deal with the Legislature. Based on past experience, he did not think the students would be very successful.

In regard to the question of why the Regent universities should be compared to other state institutions, Regent Neu said that people do use these comparisons and if the Regents universities fall too far out of line, they are criticized. Generally, the Regent universities fall fairly low in these ratings in regard to tuition. He pointed out that no one protests when these comparisons are made in regard to faculty salaries.

Regent Neu said that the board reads the material presented to it by the students and that the students should seriously consider the material presented to them by the Board Office. He said an argument against the tuition increase that students are being "ripped off" would not sway him very much.

Regent Neu said he appreciated the difficulties of getting through college but did not think some of the remarks made gave the board enough credit for what it has done.

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Regent Neu said he would be willing to wait until October to take final action on the tuition proposals.

Regent Wenstrand said that the use of comparisons was a valid approach. It gives the board something solid to stand on in regard to tuition and salaries.

Regent Wenstrand agreed that the tuition increase of last year and the one proposed for this year were substantial. He said the board recognized this and knows it is not easy for students. However, the board must look at the long-range health of the programs in the institutions. He said there were some merits to using an annual review and that he would personally favor an annual review. He noted that an annual review or a biennial review both have advantages and disadvantages.

Regent Wenstrand agreed with Regent Neu that the board must deal with the political reality of the Legislature and use of comparisons.

Regent Wenstrand indicated he also would be willing to take final action in October.

President Brownlee complimented the Board Office staff on the format it used and the way it presented the tuition proposal. Aside from the substantive issue, it was well done and easy to understand.

President Brownlee suggested that at this point the board could vote tentative approval of the proposed tuition increases. This would allow students and the institutions to make additional comments and allow the institutions to prepare budget projections based on these assumptions. Regent Anderson asked if it would be possible to do accomplish this by just directing the Board Office to do some additional study based on these assumption. She noted that she had some questions that needed to be answered between this time and the time of the final vote.

President Brownlee said the Board Office would feel it had more direction if a formal vote was taken. Regent Neu supported Regent Anderson. He said if the board approved the tuition rates tentatively at this point it could be charged with not really listening to its constituents when it takes final action in October. He realized this would make it more difficult for the Board Office. Regent Murphy also agreed.

Mr. Richey said the Board Office would handle this in any way the board wished. He said he was concerned about the fast turn around that will be necessary after the October board meeting and the possible effect of revenue yielded by the tuition increase on budget decisions. President Brownlee noted that the budget data must be submitted to the State Comptroller by November 1.

In response to a student's comment about quotes by Regents in the newspaper, Regent Anderson explained that she had said she wanted to wait and hear what was said at this meeting.

Regent Anderson asked Ms. Froehling about the amount of \$5,110 estimated as the cost to a student living off campus. Ms. Froehling said this was a 1981 figure which included tuition for a 9-month period. Regent Anderson said this would involve a \$90 increase and that this was not a very high percentage of the total cost of a year of education. She said this must be put in the perspective of the total cost.

Regent Anderson asked about the rationale of changing the tuitions for the College of Law and the Graduate College at the University of Iowa so that there is a difference between them. Mr. Richey indicated that this was done on the basis of interstate comparisons. He said that the tuition for the law school had gotten out of synchronization with comparable schools in out of state areas. Mr. Richey said he was not aware of the affect this would have for administration in regard to the interdisciplinary student. He believed that they were registered for a law degree and charged accordingly. Mr. Richey said it might be necessary to make an adjustment for these students and thought this could be done.

Regent Anderson asked for information on what has happened to tuition over a ten-year period. Mr. Richey said this information was left out of the Board Office material through an oversight and would be sent to board members following the meeting.

Regent Anderson noted that in the past medical students were always able to get loans because they were considered to be a good risk. She asked the students what they were experiencing. Mr. Allen said he was not prepared to discuss private lending. A primary source of funding has been the Guaranteed Student Loans. Next year many of the students will not be able to get these. He said it will be tougher for students to find funding next year.

Regent Jorgensen said that she is the parent of two college students and understood the students' feelings. One of the comments by a student was that he feels he is not getting any more for his dollar. She pointed out that in inflationary times he will not get more for his dollar. It will only be possible to maintain this.

Regent Jorgensen asked if there was a history of how student loan money has been dispersed in the last couple of years. Mr. Richey explained that these are administered by each campus. The total amount for student assistance from the general fund of the university is different at each of the institutions in terms of percentage. This could also have some relation to the availability of outside funds.

He noted that some assistance is provided on a no need, merit basis to attract really bright students of great promise. The board has always supported this.

In recent years the board has increased student aid by a factor related to the tuition rate increases. The board has tried to at least maintain accessibility provided at the existing student aid program level by allocating those additional funds. He noted that these efforts have not taken into consideration outside funding. If that was done over the last decade, there would have been a reduction in student aid budgets because of national increases in federal student aid during that time. Now that the trends have turned the other way, the board is pursuing the same policy.

Regent Jorgensen said that she could also relate to the value of farm land and its affect on qualifying for a Guaranteed Student Loan. She suggested seeing if something could be done about this. Mr. Richey indicated that the state has a loan program that gives students in Iowa an advantage not always enjoyed by students in other states. He said that the College Aid Commission and the Iowa Student Loan Corporation will to the fullest extent possible assure that moneys are available. He said there may not be as much money available as heretofor or as easy to get.

Regent Jorgensen indicated that she believed the board would need to review tuition increases annually because of the political situation. She was also concerned about taking a formal vote on the proposed tuition increased. She suggested taking a straw vote. She did not want the public to get the impression that the board was not doing anything.

Regent Harris said in view of the fact that the students had additional information to present, it would be a courtesy not to take a vote. He agreed that the board will have to review these increases on an annual basis. He noted that there would be some type of increase because of the situation in the state making increases necessary.

President Brownlee pointed out that the board was going to consider supplementary budget requests later in the meeting and that without some direction as to the amount of funds that might be generated by the tuition increase and how they are going to be used, it would be difficult to take any action on the budget. He noted that the institutions were making strong pleas for sizable supplementary budget requests which were contingent on the amounts of tuition income and that it might be necessary to make some assumptions.

Regent McDonald said that regardless of the action taken by the board at this meeting, that it has a strong belief in the university system and wants to make it the best. He hoped no one seriously thought that the Board of Regents engaged in some kind of "rip off." He found this offensive. He said the board was trying its very best to provide accessible, quality education in very difficult times.

He agreed that if the board was to discuss the budget, it would be necessary to make some assumptions. He noted that some people might interpret this as a final action but emphasized that it would not be a final action. He said the board had to make some kind of indication of tuition raises in order to seriously discuss the budget.

Regent Anderson suggested that the Board Office be directed to use the proposed figures to analyze the effects of the increases. She said she would be particularly interested in analysis of the affect on individual students. She said that the board could then use the assumptions to discuss the supplementary budget.

Regent Anderson noted that several of the newer Regents attended an orientation session of the Governor. Mr. Mosher, State Comptroller, made a strong statement about the lack of funds available for supplementary budget askings. She called this to everyone's attention because of the questions of where the money will come from for the additional needs of the university.

Regent Nolting said he was willing to go along with Regent Anderson's suggestions.

MOTION:

Mrs. Anderson moved that the board direct the Board Office to use the proposed tuition increases in additional analysis and in considering the supplemental operating budget for 1982-83. Mr. Nolting seconded the motion and it passed unanimously.

President Brownlee said the board would again address the tuition issue at the October 21 meeting. He suggested that the students prepare a

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written analysis and presentation by each of the campus organizations. These should be presented to the Board Office in time to be distributed to the members of the board before the next board meeting. Regent Anderson suggested that a part of the presentation should be how the students would meet the operating needs and requests of the universities given the lack of desire for a tuition increase.

NEXT MEETINGS. President Brownlee called attention to the schedule of the next meetings as listed below. He noted that they were planned for the coming year subject to emergency changes. He pointed out that every two years academic planning seminars are conducted for each institution. He proposed that the seminars for the University of Northern Iowa be held April 21 and 22; Iowa School for the Deaf, June 16-17; Iowa State University, July 21-22; and State University of Iowa, September 15-16.

Ordinarily, the documents for the planning seminars are submitted to the Board Office in March. This year that deadline is extended to six weeks prior to the particular seminar. He noted that the seminar for the University of Iowa was being held later in the year in order for President Elect Freedman to have an opportunity to participate.

President Brownlee noted that the October 21 meeting could extend to October 22. He said the meeting would start at 9:00 a.m. on October 21.

November 18	University of Northern Iowa	Cedar Falls
December 16-17	Iowa State University	Ames
January 13, 1982	University of Iowa	Iowa City
February 10		Des Moines
March 24	Iowa State University	Ames
April 21-22	University of Northern Iowa	Cedar Falls
May 19-20	University of Iowa	Iowa City
June 16-17	Iowa School for the Deaf	Council Bluffs
July 21-22	Iowa State University	Ames
August	No Meeting	
September 15-16	University of Iowa	Iowa City

EXECUTIVE SESSION. President Brownlee reported that the board needed to enter into executive session for the purpose of legal consultation under Chapter 28A5, Section 1C of the Code of Iowa, and to discuss strategy in regard to collective bargaining under Chapter 207, Subsection 3 of the Code. On a roll call vote as to whether to enter into executive session, the following voted:

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

NAY: None

ABSENT: None

The board, having voted by at least a two-thirds majority, resolved to meet in executive session beginning at 1:29 p.m. and arose therefrom at 1:48 p.m.

REVIEW OF SUPPLEMENTAL OPERATING BUDGET NEEDS FOR FISCAL YEAR 1982-83.
It was recommended that the board give preliminary approval for:

1. A supplemental budget request of \$31,624,000 financed in part by a supplemental appropriation request of \$21,383,000 for fiscal year 1982-83 and
2. A supplemental appropriation request of \$189,000 for fiscal year 1982-83 for the family practice program.

The Board Office provided the following background information. Although additional funds were appropriated for both years of the 1981-83 biennium, some of the highest priority needs requested by the Regents were not funded during the appropriations process. Accordingly, the Board Office said it was appropriate that the board reconsider these highest priority items and act on a supplemental appropriations request for 1982-83.

The previously approved appropriations for 1982-83 included funds for an 8% increase in salaries and related fringe benefits. Appropriations were provided for opening and repairing new buildings and for the cost of the increase in sewer rates charges to the University of Iowa by the City of Iowa City. The appropriations for 1982-83 also included restoration of the 4.6% cut of \$12,028,000 experienced by Regent institutions during 1980-81 and continued in 1981-82.

The appropriations for 1982-83 did not include fundings of \$14,000,000 for institutional vitality and quality, the Regents' highest priority item last session. Appropriations for fuel and purchased electricity were provided for 1982-83 at the same level as for 1981-82. Funds were not provided to meet increased costs from price inflation for supplies and services, equipment, library books, and building repairs. No appropriations were provided for other pressing institutional needs.

The recommended \$21,383,000 appropriations plus \$5,772,000 of income from a proposed increase in student tuition rates and \$4,469,000 from other institutional income would fund a budget increase of \$31,624,000 over an estimated budget for 1982-83.

The Board Office recommendation represented a significant cut from the \$35.8 million supplemental appropriations request from the institutions.

The following table reports funding information for the years 1980-81.

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INCOME SOURCES FOR REGENT OPERATIONS
(000's Omitted)

<u>Fiscal Year/Description</u>	<u>Student Fee Income</u>	<u>Other Institut. Income</u>	<u>Appropriations</u>	<u>Total Funding</u>
1979-80	\$49,670	\$ 80,693	\$238,398	\$368,761
1980-81				
Before 4.6% Cut	51,596	93,099	262,037	406,732
After. 4.6% Cut	51,596	93,099	250,009	394,704
1981-82				
Based on Appropriations	64,100	110,022	275,496	449,618
Plus 4.6% Cut for Comparison ^{1/}	64,100	110,022	287,524	461,646
1982-83				
Based on Appropriations	64,354	116,384	312,042	492,780
Instit. Supplemental Request ^{2/}		4,713	35,822	40,535
Instit. Total Request ^{2/}	64,354	121,097	347,864	533,315
Board Office Recommendation	5,772	4,469	21,383	31,624
Board Office Total	70,126	120,853	333,425	524,404

^{1/}Line is included with appropriations cut added back for comparison purposes. Actual appropriations are \$275,496,000.

^{2/}Institutional request states expenditures as funded from appropriations. Private patient income is included here to provide a budget level figure for purposes of comparison.

The Board Office proposed increases in institutional income from increases in tuition rates and charges to hospital paying patients. The proposed tuition rate increases applied to enrollments was estimated by the Board Office to yield an increase in income of 9.7% over the amounts budgeted for 1981-82. The income increase was calculated as follows:

TUITION INCOME INCREASE CALCULATION
(000's Omitted)

<u>Description</u>	<u>Univ. of Iowa</u>	<u>Iowa State Univ.</u>	<u>Univ. of Northern Iowa</u>	<u>1982-83 Est. Total</u>
Total Tuition and Fee Income Estimated for 1981-82	\$30,794	\$29,636	\$9,176	\$69,606
Income Increase @ 9.7% (Est.)	2,987	2,874	890	6,751
Less: Set-aside for Student Aid	493	342	144	979
Net Income Increase	<u>\$ 2,494</u>	<u>2,532</u>	<u>746</u>	<u>5,772</u>

The extraordinary tuition increase of \$210,000 would additionally be taken from the Board Office estimate for the University of Iowa. This estimate will be revised for the October board meeting.

The net tuition and fee income increase of \$5,772,000 would be used to support the budget request proposed above. The institutions were being asked to provide their tuition increase estimates on the basis of the proposed tuition rate changes.

An increase of \$979,000 was proposed to be set aside for student aid to offset the effect of the tuition increase.

A \$210,000 extraordinary tuition income increase set-aside was proposed for the College of Medicine and was excluded from the net income increase calculation. Recommended funding of \$3,982,000 for the College of Medicine as an essential program adjustment was net of the \$210,000 proposed tuition set-aside.

The Board Office explained the need for additional funds for various purposes.

The Regent request for the biennium included as its highest priority for additional funding \$14 million of appropriations to enhance institutional vitality and quality through reestablishing competitive salaries with comparable institutions for the recruitment and retention of first-quality faculty, professional, and scientific staff. The request does not apply to organized faculty at the University of Northern Iowa since compensation for faculty in that bargaining unit has been established by a collective bargaining contract.

In its budget request during the 1981 legislative session, the Regents considered this request its single most important item for new funding. Regent institutions face a very serious and critical situation with imminent loss of staff and the deterioration of faculty and staff morale. The 8% per year increase in salary budgets during the current biennium was below the increase in consumer prices.

The Board Office recommendation concurred with the institutional request that supplemental appropriations of \$14 million be requested again for 1982-83.

In regard to fuel and purchased electricity, the Governor's budget for the current biennium included an increase in funding for 1981-82 but did not include a further increase for 1982-83. It maintained the budget level for 1982-83 at the same level as for 1981-82. The Regent institutions requested \$26,477,000 including fuel for opening new buildings. Average price increases of 14% for energy in 1982-83 were assumed.

Accordingly, the Board Office agreed with the institutional request that appropriations of \$2,968,000 should be requested as a supplement to previously appropriated funds for fuel and purchased electricity.

The Board Office noted that, as in past biennia, funding for other operating expenses including supplies and services, equipment, library books, and building repairs, has been well below the needs based on price growth or formula funding. With the continuing excessive price inflation and the 4.6% cut in appropriations for 1980-81 and 1981-82, the problem has become even more critical.

Equipment and building repairs have been requested during recent biennia on a formula basis. Institutions have not been able to keep up with modernization of equipment and replacement of worn out equipment. Building repairs have been deferred. Funding for library books was reasonable until the appropriation cut for the current two-year period. The institutions proposed a supplemental appropriation request of \$6.1 million based on a 12% inflation factor applied to the 1980-81 budget.

The Board Office recognized the need for additional funding of other operating expenses, which support the academic programs. A supplemental budget of \$7 million was recommended for 1982-83, which would cost about \$4.8 million of appropriations. This amount was based on an inflation rate of 9% applied to the final budget for 1981-82 as approved by the Board Of Regents. This amount would cost about \$4.8 million in appropriations.

The Interinstitutional Committee on Educational Coordination recommended that the request previously approved by the board to strengthen the continuing education opportunities offered Western Iowa including the Bachelor of Liberal Studies program be requested as a supplemental appropriation at \$89,000. Additionally, the committee requested 12% for price inflation. The total request for new funding was \$101,000. The Board Office recommended a price inflation request at 9%. It recommended deferral of the request to strengthen the program. This need should be considered during the 1983-85 biennial budget request process.

In recognition of the serious financial condition of the University of Iowa College of Medicine, the executive and legislative branches previously agreed to an extraordinary tuition set-aside of \$708,00 annually to help stabilize the college's finances. Remaining appropriated support needs were estimated at \$4.2 million. The General Assembly was not able to give further recognition through direct appropriations in the 1981 Session. Moreover, a substantial portion of the new medical tuition income had to be used to offset major losses in federal capitation grants in 1981-82.

The college reports that it has reached the limit of its ability to support the costs of educational programs from professional fee earnings and external grants. It cannot continue to provide up-to-date instruction in many areas without a substantial infusion of state support to underwrite salaries, supplies and services. This infusion of state funds could lead to additional outside support for the medical education program.

The Board Office recommended a supplemental appropriation request of \$3,982,000 to meet this need. The support requested would replace \$1.3 million in non-recurring funds now underwriting some faculty salaries and would add staff and supporting materials to the instructional programs. The temporary allocation made to shore up College of Medicine operations was made possible from indirect cost reimbursement and tuition income from increased university enrollments. Both may decline in future years based on enrollment projections and federal research support policy. An additional \$210,000 was recommended as a tuition set-aside to support this program in 1982-83.

The Board Office said that the 4.6% appropriation reduction for 1981-82 included indigent patient appropriations. That appropriation reduction and the effects of a hospital rate increase of 11.9% resulted in a 10.9% reduction in indigent patient quotas for 1981-82, compared to 1980-81. The reduction in indigent patient quotas would have been higher but for subsidies from paying patient income.

The University of Iowa seeks to restore the indigent patient appropriation to a level required to fund the indigent care program at the 1980-81 quotas. This was reported to be particularly important to the State of Iowa in view of impending cutbacks in the Medicaid program. Further, part of the indigent patient appropriation cutback for the current year was offset through a subsidy from paying patient revenues. This was considered an inequitable and short-run response to the problem.

The need to correct this imbalance in the indigent patient appropriation was given top priority among the needs of the university's statewide health service units and was recommended by the Board Office for funding at \$1,417,495.

The University of Iowa requested a supplemental appropriation for the Statewide Family Practice Program of \$281,000. The Regents approved for the 1981-83 biennium a request for this program of \$225,000 in 1982-83.

The Board Office recommended a supplemental appropriation request of \$189,000. This would underwrite a 9% increase for the general operating expense incorporated in a \$1,195,000 appropriation approved for 1982-83. Additionally, the Board Office recommended an 8% salary adjustment to the salary appropriation based for 1982-83. Subsequent to the 1981-83 biennial appropriation process, it was confirmed by the Comptroller's office that the state salary adjustment fund is not budgeted for salary increases attributable to this program.

The Board Office noted that Regent institutions requested exclusive of the continuing education, Statewide Family Practice Program, indigent patient, quota, and College of Medicine askings an additional \$7 million in supplemental appropriation requests to meet special needs. The Board Office said these requests were worthy of funding but recommended deferral of the requests until a later fiscal period.

In view of the need to fund the most critical requirements as discussed above, the Board Office recommended:

1. That a supplemental budget request of \$31,624,000 financed by a supplemental appropriation request of \$21,383,000 for fiscal year 1982-83 be given preliminary approval.
2. That a supplemental appropriation request of \$189,000 for fiscal year 1982-83 be given preliminary approval for the family practice program.

President Brownlee noted that President Kamerick is chair of the inter-institutional committee on the budget or the "Toledo Society" and asked for his comments.

President Kamerick, speaking on behalf of the University of Northern Iowa, said that as a whole he was pleased with the Board Office recommendations. He endorsed the recommendations with one exception.

President Kamerick noted the priorities set up by the "Toledo Society." These were: 1) the vitality fund, 2) equipment, and 3) staffing. He said that only two of the three priorities were honored in the Board Office recommendations.

President Kamerick recognized that the first priority of the board was institutional vitality and quality and accepted this. However, he said this was not the first priority of the University of Northern Iowa. It's situation is different than the other Regent universities. The top priority at the University of Northern Iowa would be staffing in the School of Business.

President Kamerick said that the Board Office recommendations were not as much as the institutions requested but that they could live with them.

Mr. Richey indicated some errors that were made in the Board Office material. He said a section on priorities was completely omitted. The Board Office recommendations were based on the following priorities:

1. Institutional vitality and quality
2. Price inflation on general expenses
3. College of Medicine special needs
4. Indigent patient quota restoration
5. Statewide Family Practice Program needs

Mr. Richey said no recommendations were made in regard to block grants and that some recommendations might be made in October. He noted that a conference on this topic was scheduled during the week which would be attended by state representatives who would receive information about how much money the state will receive and how it will be handled.

He indicated that the Board Office appropriation recommendation would provide for a 16% increase for next year over the current year adjusted for the 4.6% cutback or a 21% increase without that adjustment. This would take into consideration tuition income and hospital income. He noted that this was a substantial appropriation increase request. He pointed out that the Board Office did not recommend any of the special needs requests made by the institutions regardless of their merit except for the hospital indigent patient quota, the College of Medicine, and the Statewide Family Practice Program.

President Parks asserted that a distorted picture would be presented to the Legislature if the board did not request funds for essential programs needs. At Iowa State University this amount would be \$2.8 million for instructional support.

President Parks pointed out that he was not opposing the increase in money for the College of Medicine. He questioned whether additional doctors are more needed by society than additional engineers or professionals in other sciences. He noted that the market place seems to be insatiable.

The problems at Iowa State University are that it does not have enough teachers or equipment to offer the courses needed by students. He distributed copies of a letter he received from Vice President Christensen concerning this issue.

Vice President Christensen briefly reviewed the letter and two charts showing unmet student course requests and the freshman engineering backlog. He said that the need for teachers and equipment was an emergency. Many students are being shut out of classes which works a hardship for them. When a student needs a particular course at a specific time in his or her program and is unable to enroll in it, the student must delay graduation. This means they forego employment and earnings.

Vice President Christensen noted that the university has made funding reallocations but it has reached a point where this is no longer possible. He explained that as students are shut out of courses, there is a carryover effect and the number of students who cannot get into courses continues to grow because of the cumulative effect. He noted that there are problems in the School of Business Administration including accounting. There are also problems in the fields of computer science and engineering. He noted the needs for additional staff are critical.

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Vice President Christensen said that another problem is the competition for qualified faculty members in the market place.

He noted that the institution has been receiving complaints from citizens, parents, and legislators about students not being able to get into classes. He said the present and future students need faculty and the university was asking for the board's help.

President Parks said he recognized that the board may not be successful in getting the \$2.8 million but said that some improvement in support is quite important and hoped the board would recognize this need by at least requesting that it be funded.

President Priestersbach said he strongly supported the request for institutional vitality. He said this was a high priority item and hoped the board would continue to be supportive of it.

He noted that different institutions have different problems. He said he was not speaking in any way against the request made by Iowa State University. He said one of the needs at the University of Iowa is not to expand but to stabilize the financial position of the College of Medicine. It is important to stabilize the financial base by establishing equity among the contributed earnings of the faculty, appropriated support, and tuition.

The University of Iowa was also concerned about the reinstatement of a full indigent patient care appropriation for University Hospitals. President Priestersbach noted that Mr. Colloton would be prepared to discuss this matter in October during the University Hospitals Quarterly Report. William Farrell will also be present at that time. He has been assigned to monitor the block grants as they affect the Statewide Health Service Program.

Vice President Martin noted that students' interests and preferences are changing at the University of Northern Iowa. There is a tremendous pressure on the School of Business. Other areas in which there are problems at the university are industrial technology and computer science. There have been a record number of closed courses. Students are not declaring majors because there is no room for them in the fields into which they would like to go.

Vice President Martin pointed out that the last time there was any funding for enrollment growth it was only partial funding. The university has been reallocating funds but sometimes the amounts shrink in this process. For example, when positions are transferred, it may take three positions to fund two. Competition is very intense for faculty because of the market.

He indicated the 4.6 appropriation reduction made it necessary to transfer some faculty funds to maintain supplies and services.

Vice President Martin said the University of Northern Iowa needs faculty but additional graduate assistants would be helpful because it would be possible to teach larger sections. There is a problem with faculty morale and it is important not to impose too heavy a load upon the faculty.

In addition, said Vice President Martin, a state requirement of a human relations course has been imposed for certification in education. The university has made an effort to offer this course but no additional funds were appropriated for this program.

Vice President Martin concluded by saying that there is a critical situation at the University of Northern Iowa and it is running out of ideas on how to cope with the situation. There is a backlog of students who have nowhere to go. The answer to this problem is some relief in the faculty staffing area.

Superintendent Giangreco indicated that the program at the Iowa School for the Deaf depends upon the amount of federal funds for next year. It now looks like they will be available. If they are, it will not affect the program. He noted that there is a continuing concern about the permanent and special programs being funded.

Superintendent DeMott endorsed the Board Office recommendations.

Regent Anderson asked Mr. Richey how realistic the recommendations were and if there would be any psychological reason to ask for more supplemental funds. Mr. Richey said the amount recommended by the Board Office was quite high. The recommendations were a reiteration of the highest unfunded priorities the board had last year. The recommendation for a request for funds to restore the indigent patient quota was a new one. Mr. Richey explained that appropriations were reduced last year and needed to be restored.

Mr. Richey said that all of these considerations lead to a higher figure than he thought feasible for funding at this time unless the state's financial condition improves. He noted that it was not certain what the effect of the federal income tax cuts would be on state income in 1982-83. As the federal income tax rates go down, taxable state income should go up. Mr. Richey said that in one sense the proposed request was reasonable because of the need to offset federal fund losses. In terms of the total amount, the request was high. He noted that in the last legislative session the board tried very hard to obtain funding for some of the other items. He said it might be counterproductive to request them again at this time.

President Brownlee summarized that the board needed to make a decision about the Board Office recommendations plus the recommendations from the University of Northern Iowa and Iowa State University for additional staff. The latter amounts would be \$2.8 million at Iowa State and \$400,000 at the University of Northern Iowa.

In answer to a question from President Brownlee, President Priestersbach said the only special need request the University of Iowa was making was for the College of Medicine because of the emergency in that college.

President Parks made some further remarks in support of a special request for instructional funds for Iowa State University. He said that the College of Engineering is one of Iowa State's biggest colleges. Problems of engineering are some of the nation's top problems. He did not see how there could be a resolution of this problem unless the university gets additional help. It now has limited enrollment and staff. There is no prospect for improvement in staffing. He said it is not fair to ask present students to pay for this because the program has been weakened over the last few years. There will be thousands of students who will want to enter engineering but who will not be able to unless something is done.

Regent Wenstrand suggested that it might be wise to include an asking for instructional improvement for the sake of restating the problem. He noted that there were risks to this but added that the amounts really were not too much. There was some discussion about the amounts involved. President Brownlee pointed out that any time too large of requests are made to funding authorities, there is a problem with credibility.

Regent Anderson said she would support including the request from Iowa State University in some way because the engineering program now touches, and in the next two years will touch, so many people in the state. Perhaps this will generate public support, she said, and a request might be wise from a political standpoint. President Brownlee said that Regent Anderson's point was well taken. Since this program does affect so many families in Iowa, it would be unwise to ignore it.

MOTION: Mrs. Anderson moved that the board amend the Board Office recommendation by adding a request of \$2.8 million for Iowa State University. The motion died for lack of a second.

Regent Neu asked where the request for Iowa State University would be placed on the list of priorities. President Brownlee said it would go at the end of the list unless otherwise specified. Regent Anderson said she did not intend to change the list of priorities.

President Brownlee suggested scaling back the request for Iowa State University so that it would be possible to address the needs at the University of Northern Iowa. Regent McDonald asked if this would be appropriate. Mr. Richey pointed out that in the last session the Regents requested \$750,000 for Iowa State University for improvement of the instructional program. This mainly meant adding more class sections. Previously there was a request of \$420,000 for instructional improvement for the University of Northern Iowa. Mr. Richey suggested that the board indicate a request of about \$2 million for Iowa State University and \$250,000 to \$350,000 for the University of Iowa with the understanding that these figures would be reviewed by the institutions and that the board would make a final decision in October.

President Parks said that \$2 million was a reasonable figure and that it would provide about 65 positions. President Brownlee agreed it was reasonable.

MOTION: Mrs. Anderson moved that the board give preliminary approval to a supplemental appropriation request of \$31,624,000 financed by a supplemental appropriation request of \$21,383,000 for fiscal year 1982-83, a supplemental appropriation request of \$189,000 for fiscal year 1982-83 for the family practice program, a supplemental appropriation request of \$2 million for instructional improvement at Iowa State University for fiscal year 1982-83, and a supplemental appropriation request of \$400,000 for the University of Northern Iowa for instructional improvement for fiscal year 1982-83. Mr. Nolting seconded the motion.

President Priestersbach said he did not want to leave an impression that the University of Iowa does not have problems similar to those described by its sister institutions. He said the University of Iowa did not request funds for them because of its strong concern about the stability of the College of Medicine. It is dealing with other staffing problems internally.

Regent Wenstrand asked in what category the request for the University of Northern Iowa would be placed. President Kamerick said it would be considered improvement of instruction. The money would be spent to add sections in the areas of business, industrial technology, and computer science. Regent Wenstrand asked if this would be used for accreditation. President Kamerick indicated that providing more sections in business would help meet accreditation requirements.

President Brownlee asked if any of the legislative liaison had comments. Mr. Crawford said there was a good likelihood that the legislature would not take the request for additional salaries seriously enough. Legislators believe it is the mission of the universities to provide teachers in the classroom. Once they are there, the legislators have no concern for keeping them. Their main concern is that there be sufficient sections for students to receive an education.

President Brownlee noted that the number one priority of the board was the vitality fund and asked if anyone objected. No one did.

President Brownlee also said that if the institutions receive these funds, it would be expected the funds would be used to provide more class sections.

Mr. Richey noted that the institutions would need to present specific proposals for use of these funds so the board could take final action in October.

Regent McDonald said that in light of caps on enrollment in some of the schools at the University of Iowa, it would be a mistake not to mention those problems in the request. President Brownlee said these problems would not be included because of the possible disaster in the College of Medicine if its problems are not addressed.

Regent Neu clarified that the additional requests for Iowa State University and the University of Northern Iowa would be placed at the bottom of the priorities.

VOTE ON MOTION: The motion passed unanimously.

REVIEW OF CAPITAL IMPROVEMENT BUDGETS FOR 1982-83. It was recommended that the board take tentative action on the following recommendations:

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

The Board Office explained that the Board of Regents' capital request made to the Governor and the 1981 Legislative Session totaled \$102,940,000. Some \$58 million of that request was funded through academic revenue bonds authorized in Senate Concurrent Resolution 35. In addition, the West Campus Roadway project estimated to cost \$1,430,000 was funded from road use tax funds.

Decisions that the board needed to make on capital for submittal to the Governor and the 1982 Legislature were gathered into three decision packages. In each of these packages, the project costs were escalated, as appropriate, as the biennial request was initially based upon funding July 1981. In addition, all outstanding capital requests not funded by the 1981 Session were reviewed and recommendations were made as to disposition within the three decision packages. The decision packages did not contain any capital request new to board consideration.

Capital Decision Package I

The Legislature authorized in Senate Concurrent Resolution 35 the sale of \$58 million in academic revenue bonds during fiscal 1981-83. Of that amount, the resolution stated that the board shall issue \$30 million during the first fiscal year and \$28 million during the second fiscal year.

The resolution further provides that the Regents are authorized, subject to review by the Joint Appropriations Subcommittee on Education, to undertake and carry out projects involving construction of new buildings that can be completed within the limits of funds obtained from the issuance of bonds authorized during the fiscal year ending June 30, 1983, from the following list:

A Communications Facility, an addition to the University Theatre, and a Law Building at the State University of Iowa

A Mechanical Engineering Building at Iowa State University

A Communication Arts Center at the University of Northern Iowa

This decision package recommended the use of the \$28 million in 1982-83 academic revenue bond authority. The priority shown was the same priority previously approved by the board. The list fully utilizes the \$28 million authorized and also respects the concurrent resolution mandate to construct new buildings completely. Projects included are:

Fire Safety Deficiencies. In the bonding program approved in June the board deferred certain portions of the fire safety deficiencies at the University of Iowa and Iowa State University until the second year of the biennium. The Legislature authorized \$2 million for this purpose at both the University of Iowa and Iowa State University during the biennium. A total of \$2,935,000 in projects would be initiated this year, while \$1,065,000 worth of projects would be started in 1982-83. Those projects and amounts become the board's first priority for use of the \$28 million.

Old Armory Replacement - University of Iowa. The board has given its highest priority for new space to replacement of the Old Armory at the University of Iowa by construction of two buildings. The first building would be a Communications Facility to house television, radio, film, rhetorical studies, communications research programs, and the administrative functions of the department. Schematic plans have been completed on a building containing 47,310 gross square feet.

The second element of the Old Armory replacement program is an Addition to the University Theatre. The proposed structure will have two high ceiling studio-type theatres of approximately 150-250 seating capacity and the project will construct approximately 43,135 gross square feet.

On both of these buildings, architects are now in the process of design development with the goal of being able to bid both projects in July or August of 1982. This bidding schedule would, to a large extent, depend upon the sale of bonds. Costs for both projects were adjusted to account for the delay in financing from the board's original biennial request.

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Mechanical Engineering, Engineering Science and Mechanics - Construction, Utilities and Equipment - Iowa State University. The board's next priority for construction of new space was a building to house two major and basic departments within the College of Engineering - Mechanical Engineering and Engineering Science and Mechanics. The proposed plan would be to construct a 95,450 gross square foot structure. The project is in the hands of the architect with funds provided by the Iowa State University Achievement Fund. The intent of planning is to enable contract bidding in July or August of 1982.

The cost of construction was estimated at \$13,600,000. In addition to construction, there is an element of \$460,000 for utilities improvements and connections to the building and an estimated need of \$2,040,000 in equipment. The equipment request was adjusted to 15% of cost of construction to more adequately reflect anticipated equipment needs for a new structure. The \$28 million limit on bonds authorized only allows \$500,000 of the estimated \$2,500,000 needed for utilities and equipment to be funded.

The remainder of the \$28 million (\$175,000) would be utilized for bond issuance costs. Planned 1982 bond issues would be sale of \$12,990,000 for the University of Iowa and \$15,010,000 for Iowa State University.

The Board Office recommended that the board confirm its intended use of the \$28 million 1982-83 academic revenue bond authority, as shown in Capital Decision Package I. This package can then be reviewed by the Joint Education Appropriations Subcommittee as called for in Senate Concurrent Resolution 35.

Capital Decision Package II

The board's capital requests for the universities not funded or financed by the 1981 Legislative Session and which still remained as needed projects totaled \$41,870,000. All of the projects shown in this decision package could theoretically be requested as additional academic revenue bond authority for 1982-83 beyond the \$28 million already authorized. Any part of this decision package could also be requested from a combination of appropriations and additional bonding authority.

Senate Concurrent Resolution 35 authorized, but did not fund, four additional projects totaling \$32,560,000 beyond the \$28 million in projects authorized for funding from bonds for 1982-83. Those projects are:

Mechanical Engineering Building Equipment - Iowa State University - \$2,000,000.
This would fund the rest of the equipment needs for this new building. Some of this equipment will have to be ordered at an early date in the construction process to allow inclusion of the equipment in the project while under construction.

Communication Arts Center Construction - Final Phase - University of Northern Iowa - \$7,100,000. This project would house the university's art department and complete the Speech/Art Complex, as originally intended. The first two buildings (a speech building and the Strayer-Wood Theatre) already have been occupied. Construction would be 67,000 gross square feet. Art would move out of three buildings; two of which could be converted to meet other institutional space needs, while the third building would be demolished. The program has been written internally for the project. However, it would be approximately one year from funding before bids could be taken, as an architect would need that period to draw final plans and specifications.

Planning for Veterinary Clinic Conversion for Use by Industrial Education - Iowa State University - \$200,000. Current plans are for the Industrial Education Department to utilize this 61,000 gross square foot building. However, there are several space alternatives which need to be explored for efficient and economical use by Industrial Education. Those alternatives could be adequately explored within the requested planning funds. A request for construction would follow in a later biennium.

Law Building Construction - University of Iowa - \$23,260,000. This project would construct a new Law Building of 181,600 gross square feet. Schematic plans have been completed by the architect and design development initiated. Site clearance will commence next spring. The project, if financed in the 1982 Session, would be able to go to bid in January 1983.

The above four projects, plus issuance costs for new issues for the University of Iowa and the University of Northern Iowa, would add \$32,735,000 to the bonding authority for 1982-83, making a total bonding authority of \$60,735,000.

The rest of Capital Decision Package II consists of five projects which were not authorized in Senate Concurrent Resolution 35. Those projects are listed in Capital Decision Package II in a recommended priority order after the four projects mentioned above which were included in the resolution. If the board requested expanded bonding authority beyond \$32,735,000, the Board Office recommended serious consideration of either or both of the following projects.

Electric Distribution System Improvements - Oakdale Campus - University of Iowa - \$2,995,000. Project costs have been reestimated and its priority, in some respects, has increased. The university noted that it is at a point where it would be extremely "chancy" for the university to add new electrical consuming facilities at Oakdale. All reasonable make-shift modifications have been made. It is past time to begin the rebuilding of this system and it is the institution's highest utility priority.

Wright Hall and Sabin Hall - Academic Space Remodeling - University of Northern Iowa - \$1,195,000. This project involves remodeling of two academic buildings. Wright Hall houses the Department of Home Economics and contains 35,900 square feet. It has not had a major renovation since 1914. Home economic instruction has changed rather dramatically since that time. In addition, the university has had an increased demand placed upon its facilities by student interest in the programs of the department. That portion of the project would cost \$1,030,000.

The Sabin Hall project involves remodeling of a studio theatre to provide 10 offices, a conference room, and secretarial and storage areas for the Economics Department. The Board Office said this is an excellent retrofit project. The institution has been unable to fund the project from building repairs because of the continued inadequacy of those funds. Project cost is \$165,000.

The Board Office noted that the other three projects on the list are all high priority needs. However, their funding possibilities in 1982 are slim. Projects are:

Chemistry/Botany Remodeling at the University of Iowa	\$2,695
Power Plant Renovations at the University of Iowa	
Recover and Insulate Breeching on Boilers 5 and 6	\$ 80
Renovation of East Smokestack	155
Primary Electric System Revisions and Improvements	1,190

The Board Office recommended that the board request additional bonding authority minimally for 1982-83 of \$32,735,000 to fund the four projects already authorized in Senate Concurrent Resolution 35, as shown in priority order in this decision package, and consider whether it desires further expansion of that additional bonding authority by inclusion of one or both of the aforementioned projects at the University of Iowa and the University of Northern Iowa.

Capital Decision Package III

Academic bonding authority is not available to fund projects at Iowa School for the Deaf, Iowa Braille and Sight Saving School, or Statewide Health Services - State Hygienic Laboratory. The seven projects in this decision package total \$1,980,000.

The Board Office recommended that the board request appropriations of \$765,000 to fund the first six priority projects shown in this decision package. A strong case can be made for the last priority - a Recreational Building at Iowa School for the Deaf. However, given the state's forecast financial condition, the Board Office was not optimistic that the state would be able to provide direct capital appropriations in excess of \$765,000. Projects included in this package are:

Raze Old Power Plant Stack and Ash House - Iowa Braille and Sight Saving School - \$80,000. This project was included in the emergency needs and safety request of the board. It would demolish the old power plant stack which is no longer needed. The stack is a potential hazard to students and staff at the school.

Energy Conservation Projects - Iowa School for the Deaf (\$125,000) and Iowa Braille and Sight Saving School (\$75,000). Both Iowa School for the Deaf and Iowa Braille and Sight Saving School currently have outside engineers conducting detailed energy audits on their major buildings. Preliminary reports sufficient to prepare firm requests are expected to be ready by the time of the October board meeting.

The universities will begin to undertake a number of energy conservation projects this biennia through projects authorized from bonding. The Board Office said it was equally important that the two special schools initiate programs as early as possible since both schools are dependent upon oil and gas fuels.

The amount shown for each school will be confirmed at the October meeting with the completion of the energy audits and disposition by the Energy Policy Council of a \$100,000 federal matching grant application.

Swimming Pool Improvements - Iowa School for the Deaf - \$100,000. This project would build a small addition to the deck on the shallow end of the swimming pool in the high school building. This deck space would provide increased facilities for classroom and pool activities, give access to an outside sun area, improve ventilation, and provide natural light for the pool area with a southern solarium.

Statewide Health Services - University Hygienic Laboratory - New Addition Oakdale Campus - Planning Only - University of Iowa - \$220,000. Approximately half of the University Hygienic Laboratory has been moved to remodeled space on the Oakdale Campus. The balance of facilities remain on the main campus in four dilapidated former residences never intended as laboratories. An addition needs to be constructed at Oakdale consisting of approximately 18,600 net square feet to totally relocate the function to the Oakdale Campus. In order to determine the most effective and economical configuration of this space, the university requested planning funds.

Utility System Improvements - Iowa Braille and Sight Saving School - \$165,000. Most of the school's utility systems have an urgent requirement to be subjected to some planning, study, and assessment of priorities. The project would begin with a master plan examination of the school's utility systems and from that study the most urgent utility improvements would be undertaken within the constriction of the funds appropriated.

Recreational Building Construction - Iowa School for the Deaf - \$1,215,000.
This project would build an 18,000 gross square foot recreational facility. The building would include a multi-use gymnasium, locker rooms, offices, and a small bowling alley. Recreational programs are increasingly being squeezed out of the existing gymnasium by athletic programs and physical education. The ability to have adequate on-campus recreation space is extremely important to students and staff at this residential school.

The Board Office recommended that the board request appropriations of \$765,000 to fund the first six priority projects shown on Capital Decision Package III.

The Board Office noted that a number of other capital concerns were not addressed in its tentative recommendations or decision packages. It expressed serious concern about the sale of the full \$30 million authorized in the current fiscal year. Those bonds have to be sold, according to the terms of the resolution, by June 30, 1982. The present condition of the bond market gave the Board Office pause on the short range future of revenue bonding. It planned to continue monitoring the situation and said it may have recommendations at a later time on both the restrictions on time when bonds have to be sold this fiscal year and the overall question of how to finance the board's capital needs.

Another issue which may need to be addressed at the October meeting is planned improvements to the sewage plant in Ames. The City of Ames has had a need for a new sewage plant for quite some time, but it was anticipated that the financing of that plant is some time off. In the interim, the state Department of Environmental Quality may require certain improvements in the existing plant.

Under the contract for sewage treatment between the city and Iowa State University, the university and Board of Regents are required to cost share 30% of any plant improvements. This could cost the board as much as \$2.2 million in the next 18 months. The Board Office anticipated providing more information on this issue in October.

The Board Office said that recommendations would be made in October in regard to an unfunded utility request at Iowa State University and two new utility needs at the University of Iowa.

Mr. Richey began the discussion on the three capital decision packages by noting that the bond market interest rate would have an impact on how the Legislature and Governor perceive the packages. He noted that the board would prefer to have appropriations for these projects but in consideration of the state's financial condition, bonding is an alternative. He said interest rates are high currently but that the market may make some adjustments in the next 18 months to 2 years.

Mr. Richey said this is an excellent time to go to bid because of the competition within the construction industry and the need for economic activity in the state. This is something to which the Legislature pays a lot of attention.

In opening discussion, Vice President Moore noted that when the board discussed the bonding authorization in June, the \$200,000 for planning for the Veterinary Medicine Clinic was not recommended for the first year of the biennium. This was because of the low priority of actual construction on the project. He agreed with the Board Office's statement that space alternatives need to be explored for efficient and economical use. He said it would be useful for the university in its planning if it could start looking at these alternatives at an early date and suggested moving \$200,000 from Capital Decision Package I for fire safety deficiencies to Capital Decision Package II and funding this planning project. He said this would not change the board's priorities and that the totals would remain the same. He said this proposal differed from the one made in June in that that proposal was to move \$200,000 into the first year of bonding.

Mr. Richey said that the board put a high priority on the fire safety needs. There is more benefit to these than just fire safety. If the board adopted Vice President Moore's proposal, it would appear to be placing a higher priority on the planning project. It would be moving planning for a facility that isn't funded and won't be funded in this biennium into an already funded category ahead of some projects that were higher in the board's original priorities.

President Brownlee understood the reasons for Iowa State's proposal but said that once the board starts tampering with the priorities that have already been submitted to the General Assembly, there is nothing to preclude other tampering taking place with them. Vice President Moore understood that the proposal could be perceived as changing the priorities. He noted that such a change would not slow down the institutions spending in the area of fire safety deficiencies.

The only comment President Spriestersbach made in regard to the Board Office recommendations was that the University of Iowa is very anxious to continue with its activities toward a new law building. He assumed its priority was very secure.

Vice President Stansbury said the University of Northern Iowa was supportive of the Board Office proposal. He noted that Mr. McMurray had worked long and hard on it. He said the university appreciated that the Communication Arts Center was nearing the top of the priority list.

Superintendents DeMott and Giangreco indicated that the special schools supported the Board Office recommendations which recognized some of their needs.

MOTION:

Mr. Wenstrand moved that the board confirm the board's intended use of \$28 million 1982-83 academic revenue bonding authority, as recommended in Capital Decision Package I; request additional bonding authority for 1982-83 of \$32,735,000 to fund four projects already authorized in Senate Concurrent Resolution 35 and as shown in priority order in Capital Decision Package II; and request appropriations of \$765,000 to fund the five priority projects shown in Capital Decision Package III. Mr. Nolting seconded the motion and it passed unanimously.

President Brownlee pointed out that all of these actions were tentative and would be finalized at the October meeting of the board.

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

STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, September 16, 1981.

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

OTHER PERSONNEL TRANSACTIONS. The board was asked to approve the following appointments and resignations:

Appointments:

Edith E. Ennis, as Acting Director of the Undergraduate Academic Advising Center, effective August 1, 1981.

Joann Moser, as Acting Director of the University of Iowa Museum of Art, effective September 1, 1981.

Phillip E. Jones, as Acting Director of Special Support Services, effective September 25, 1981.

Emmett J. Vaughan, as Acting Dean of the College of Business Administration, effective September 18, 1981.

W. South Coblin, as Chair, Department of Asian Languages and Literature, for a one-year term, effective August 24, 1981.

Carl Orgren, as Director, School of Library Science, for a five-year term, effective August 24, 1981.

Michael P. Nolan, as Head, Department of Aerospace Military Studies, Division of Air Force ROTC, for a three-year term, effective August 8, 1981.

Colin E. Bell, as Acting Chairman of the Division of Management Science, College of Business Administration, effective August 1, 1981.

Gene M. Asprey, as Chairman, Department of Physical Education-Field House, for a three-year term, effective August 24, 1981.

Virendra C. Patel, as Chairman, Division of Energy Engineering, College of Engineering, for a five-year term, effective July 1, 1981.

Resignations:

Stephen Wilbers, as Director of the Undergraduate Academic Advising Center, effective August 7, 1981.

Bruce Chambers, as Director of the University of Iowa Museum of Art, effective August 31, 1981.

J. Richard Zecher, as Dean of the College of Business Administration, effective September 18, 1981.

M. Colleen Jones, as Director of Special Support Services, effective September 25, 1981.

President Brownlee noted the resignation of Dean Zecher with regret. President Priestersbach said the university was sorry to see him go but recognized his once in a lifetime opportunity to serve as chief economist at the Chase Manhattan Bank in New York. He noted that a search for Dean Zecher's replacement has begun according to established university procedures.

President Priestersbach also called attention to the resignation of M. Colleen Jones. He said that she was among the first group of Martin Luther King scholars. It was gratifying, he said, to see her professional growth and to recognize that through her leadership Special Support Services has become nationally known for its activities in working with persons of all ethnic backgrounds.

MOTION: Mr. Wenstrand moved that the board approve the appointments and resignations as listed above. Mrs. Anderson seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the preliminary register for September 1981 had been received, was in order, and was recommended for approval. In addition, a supplemental memo on the register was distributed at the board meeting.

The following construction contracts awarded by the executive secretary were recommended for ratification:

University Hospitals - Hospital School Ground Floor Enclosure

Award to: R. K.'s Home Improvements, Iowa City, Iowa \$108,700.00

University Hospitals - Completion of Radiology Faculty Offices on Seventh Floor West Facade - Roy J. Carver Pavilion

Award to: McComas/Lacina Construction Co., Inc., Iowa City, Iowa \$143,705.00

Iowa Memorial Union - Resurface Parking Lot #2

Award to: Shamrock Construction, Iowa City, Iowa \$69,507.18

Hawkeye Sports Arena - Contracts 4 and 5 - Site Water Main/Site Sanitary
Sewer and Pumping Station

Award to: Dave Schmitt Construction Co., Inc., Cedar Rapids, Iowa \$170,175.00

Old Capitol - Exterior Paint and Repair

Award to: Edw. W. Iossi, Inc., Davenport, Iowa \$59,146.00

The following construction contracts awarded by the executive secretary
were included on the supplemental information and were recommended for
ratification:

Carver-Hawkeye Arena - Contract #10 - Elevator

Award to: Schumacher Elevator, Denver, Iowa \$49,475.00

Carver-Hawkeye Arena - Contract #11 - Mechanical

Award to: Universal Climate Control, Coralville, Iowa \$1,594,000.00

Carver-Hawkeye Arena - Contract #12 - Plumbing

Award to: R. M. Boggs- Iowa City, Iowa \$514,000.00

Carver-Hawkeye Arena - Contract #14 - Electrical

Award to: VandenBerg Electrical, Pella, Iowa \$834,600.00

The low base bid for the electrical package includes manholes and ductbank
for the primary distribution service to the Arena. This is part of the
Campus Electrical Supply Renovations project and was budgeted at \$142,000
in that project budget. Thus, the Arena budget will be charged \$692,600
on the basis of the contract award, while the Campus Electrical Supply
Renovation project will be charged \$142,000.

Carver-Hawkeye Arena - Contract #15 - Sound System

Award to: Communications Engineering, Cedar Rapids, Iowa \$166,441.00

Carver-Hawkeye Arena - Contract #16 - Aluminum Entrances and Window Wall

Award to: Foreman Ford & Co., Des Moines, Iowa \$848,392.00

The board was requested to take action on the following contract awards which appeared on the supplemental memorandum:

Carver-Hawkeye Arena - Contract #13 Fire Sprinklers

Bids were taken on this contract on September 2. Three bids were received. Mr. McMurray noted that there was confusion about a portion of the specifications for this contract. It was recommended that all bids be rejected and the contract be rebid for the following reasons:

1. Specifications for the hangar system are not clear.
2. Two or three contractors did not bid the project because of problems with the hangar specifications.
3. Base bids received on the hangar system that meet requirements of specifications are substantially over budget.
4. There is sufficient time to rebid the contract.

Mr. McMurray noted that the specifications would be redrafted and the contract would be bid at a later date.

Carver-Hawkeye Arena - Contract #11 and #12 - Mechanical and Plumbing

It was recommended that the eight bids received on a combination bidding be rejected because the low combination bid was \$2,440,000, while the individual awards shown above for Contracts #11 and #12 total \$2,108,000.

Carver - Hawkeye Arena - Contract #7 - Concrete II

Award recommended to: Knutson Construction Co., Minneapolis,
Minnesota \$3,426,605.00

Bids were taken on this contract on August 13. Four bids were received. The apparent low bidder discovered a substantial error in the bid submitted. This error was verified in the amount of \$339,205.

The difference between the base bid of Knutson and that of the next low bidder was \$926,816.

Negotiations were initiated with Knutson Construction Company and the result of those negotiations was a joint recommendation by the Board Office and the University of Iowa that the contract be reformed in the amount of \$287,205. The Board of Regents has the right to take such action through language in its contract documents and in this instance the cost savings of \$574,544 between the reformed contract to Knutson and the second low bidder makes it fiscally responsible for the board to reform the contract.

The board was requested to approve the following new projects:

Medical Laboratories - Modifications to Rooms 306, 307, and 310
Source of Funds: Department of Neurology Trust Fund \$34,100.00

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

Old Capitol - Exterior Paint and Repair
Source of Funds: General University Building Repairs \$98,800.00

The Physical Plant Department was selected as inspection supervisor.

The university also requested ratification of its selection of Harvey W. Henry, Architects, Coralville, Iowa, to provide final design services on an hourly rate basis to a maximum of \$6,080.

University Hospitals - Phase III - Second Floor West Ophthalmology and First Floor Dining Rooms Roof Replacements
Source of Funds: University Hospital Building Usage Fund \$96,920.00

The University Architect's Office was selected as inspection supervisor. In May the board selected Shive-Hattery and Associates, Iowa City, Iowa, to conduct a preliminary study and to establish project design, framework, and a preliminary budget with project description on an hourly rate basis to a maximum of \$8,750. It was expected on this project, as well as the next three projects, that the university would bring in an amendment to the contract to provide for final design services.

University Hospitals - Phase I - Sixth Floor C-51 and C-52 Roof Replacements
Source of Funds: University Hospital Building Usage Fund \$90,938.00

The University Architect's Office was selected as inspection supervisor. Shive-Hattery and Associates is the engineer.

University Hospitals - Phase IV - Sixth Floor C-53 and C-54 and Second Floor East Ophthalmology Roof Replacement
Source of Funds: University Hospital Building Usage Fund \$94,557.00

The University Architect's Office is inspection supervisor and Shive-Hattery and Associates is the engineer.

University Hospitals - Phase II - Elevator B and C Penthouses and First Floor Pharmacy, Dietary and Business Office Roof Replacement
Source of Funds: University Hospital Building Usage Fund \$89,796.00

The University Architect's Office is inspection supervisor and Shive-Hattery and Associates is the engineer.

West Campus Storm and Sanitary Sewer Replacement

Source of Funds: 1981 Academic Revenue Bonds (proposed)

\$1,150,000.00

The Physical Plant Department was selected as inspection supervisor.

In July the board approved negotiation with engineering firms to provide engineering service. The university negotiated a contract with Shive-Hattery and Associates which utilizes the Standard Agreement between Owner and Engineer and provides for compensation on an hourly rate basis to a maximum of \$140,660. The university assigned to engineering fees \$72,000 of these costs and the remaining \$68,660 is included in the administration and supervision costs budget, as the scope of the contract includes contract administration and project quality control during construction of the project. Engineering fees are 8% of the construction budget or 6.3% of the overall budget. Both percentages are well within line for a project of this type. The Board Office recommended approval of this contract.

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

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

Ratify section of Shive-Hattery and Associates, Iowa City, Iowa, to provide final design services and site survey services on an hourly rate basis to a maximum of \$4,646. The board has not approved a project budget to date.

Iowa Memorial Union - Resurface Parking Lot #2

Ratify selection of Shive-Hattery and Associates, Iowa City, Iowa, to provide full design services including contract administration and project quality control on an hourly rate basis to a maximum of \$9,700. In July the board approved a total project budget of \$108,000. The assignment of normal engineering services would be \$4,600 which is 4.3% of the total project budget. The rest of the anticipated fees would be contract administration.

Hydraulics Research Building - Utility Service

Ratify selection of Shive-Hattery and Associates, Iowa City, Iowa, to provide final design services, contract administration, and project quality control on an hourly rate basis to a maximum of \$4,150. These utility services are additional to services which Shive-Hattery was selected to perform at the May meeting.

Hillcrest Residence Hall - Fire Safety Improvements - Phase II

Ratify selection of Wehner, Nowysz, Pattschull, & Pfiffner, PC, Iowa City, Iowa, to provide final design services on this project on an hourly rate basis to a maximum of \$24,770. The board has not approved a project budget to date.

Renovation for Handicapped Access - Phase IV - Art Museum

Ratify selection of The Durrant Group, Inc., Iowa City, Iowa, to provide full range engineering services on this project on an hourly rate basis to a maximum of \$29,690. This project is part of the completion of the handicapped accessibility program funded by a \$515,000 bond authorization in the 1981 Session. The Museum of Art project provides for an installation of a three-stop elevator to provide access to three presently inaccessible display galleries.

Water Treatment Plant - High Service Pumping Improvements - Engineering Study

Ratify selection of Beling Consultants, Moline, Illinois, to conduct a preliminary study related to the need for improvements to the high service pumping facilities at the university's water treatment plant. Cost will be on an hourly rate basis to a maximum of \$9,855. The board will be presented a project budget at a later date.

University Hospitals - Sixth Floor Minor Surgery

Ratify selection of Hansen Lind Meyer, Inc., Iowa City, Iowa, to provide full design services for a lump sum fee of \$4,700. The board has not approved a project budget to date.

Hawkeye Arena - Site Development

Ratify approval of additional services to compensate Shive-Hattery and Associates, Iowa City, Iowa, in the maximum amount of \$1,210 for column checking and construction staking and a maximum of \$7,400 for materials testing on water and sanitary sewer improvements.

Power Plant Feasibility Study

The board was requested to approve a contract with Stanley Consultants, Inc., Muscatine, Iowa, to determine the feasibility of and to provide cost estimates for a power plant expansion plan developed by the Physical Plant Department. The new plant is an alternative to a costly plan submitted in 1978 by Stanley Consultants which recommended building a new power plant at a cost estimate of \$35 million to \$52 million. The new plan developed by the Physical Plant Department would incrementally add three new 170,000 lb/hr. boilers at the existing power plant site. The first

boiler would be installed within the next four to five years at a current dollar cost of \$9 million. The second boiler would be required in about 1995 at a current cost of \$8.5 million with the third boiler coming in about \$2,005 at a current cost of \$12 million to \$5 million. The third boiler costs more because there would be the need to construct additional coal handling and storage facilities with that boiler.

The contract with Stanley Consultants comes after interviews with two firms. The fee on an hourly rate basis to a fixed maximum of \$89,000 includes the cost of going through federal environmental protection agency processes called PSD and BACT. The board granted approval to the university to negotiate with engineering firms for such services at its July meeting. The university outlined deviations from the Standard Agreement between Owner and Engineer. The Board Office said all deviations noted were acceptable.

Chilled Water Plant Expansion - Phase IV

In July the university received approval to negotiate a contract with Stanley Consultants, Inc., Muscatine, Iowa, for engineering services on this project. This is a \$1,680,000 project to be funded from academic revenue bond proceeds. The board was requested to approve a contract on an hourly rate basis with a fixed maximum of \$85,000. The \$85,000 maximum is 5.1% of the total project budget.

Communications Facility

The board entered into a contract on November 14, 1979, with Thorson, Brom, Broshar, Snyder, Architects. In that agreement, the architect would be compensated by a fixed fee of \$240,000 for basic services and reimbursable expenses totaling \$15,000. One of the provisions of the contract was that if the project was deferred for more than six months, the architect's compensation shall be subject to renegotiation for the uncompleted portion of the project.

The university presented a renegotiated contract, as the project was deferred for eleven months after completion of schematic drawings by the architect. Basic services compensation was increased to \$280,716, while reimbursable expenses remained at \$15,000. The Board Office recommended approval of the contract.

Law Building

The board entered into a contract with Gunnar Birkerts and Associates, Birmingham, Michigan in November 1979. In that contract the architect would have provided design services through the design development phase

for a fixed fee of \$309,100 plus reimbursable expenses of up to \$5,000. A provision of that contract was that should the project be deferred longer than six months, the architect's compensation would be subject to renegotiate for the uncompleted portion of the work. There has been a year's delay.

The contract was renegotiated. Basic services are compensated on the basis of a fixed fee of \$346,698 and reimbursable expenses would be a not to exceed figure, additional, of \$6,000.

Funding is available through the additional bonding authority to enable project design on the Communications Facility and the Theatre Addition to be carried up to the bidding stage and to complete design development on the College of Law Building.

The Board Office recommended approval of the renegotiated contract with Gunnar Birkerts and Associates.

Fire Safety Deficiency Corrections - 1981 - Phase I

The board was requested to approve a contract for architectural services with Wehner, Nowysz, Pattschull, Pfiffner, Iowa City, Iowa, with compensation computed on the basis of a fixed fee of \$100,200 plus compensation for reimbursable expenses not to exceed \$7,000. Overall, this is a \$1,750,000 project which consists of numerous subprojects. The project is funded by the 1981 bond authorization. Compensation is 5.7% of the total project budget. The Board Office recommended approval.

Agreement with Campus Planners

The university requested ratification of its contract renewal with the Hodne/Stageberg Partners, Inc., Minneapolis, Minnesota, as campus planning consultants for a technical services contract and for other project consulting services for fiscal year 1981-82. The university has used this firm since 1975. During the most recent year (1980-81), billings under the contract totaled \$10,988.23. The contract would be submitted annually for ratification, rather than each time the services of the firm are utilized. The technical services contract provides for services up to a maximum of \$30,000 with actual billings and total obligation being based on services requested and rendered.

The second form of contract for services is used for specifically targeted consultation and study in connection with projects of a size that cannot be accommodated within the annual technical services contract or are

more appropriately handled separately. In those instances, a purchase order is issued. There was one such contract during 1980-81 in the amount of \$5,500.

The Board Office recommended ratification of the contracts with Hodne/Stageberg Partners, Inc., Minneapolis, Minnesota, for fiscal year 1981-82.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for September 1981; ratify award of construction contracts made by the executive secretary; reject the bids as described on two Carver-Hawkeye Arena bid packages; approve the new projects; approve and ratify consultant contracts as shown; approve the contract with Knutson Construction Co. as Shown; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

SPECIAL SECURITY OFFICER. The board was asked to approve the commissioning of Winnifred Pond as permanent Special Security Officer.

Ms. Pond successfully completed the Iowa Law Enforcement Academy's 72nd ten-week basic training course on June 12, 1981.

MOTION: Mr. Wenstrand moved that the board approve the commissioning of Winnifred Pond as permanent Special Security Officer. Mr. Nolting seconded the motion and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS. It was recommended that the board accept the annual report of resignations at the University of Iowa for a period July 1, 1980, through June 30, 1981.

The university reported that a total of 84 faculty members resigned from the university during the 1980-81 academic year, compared to 77 in 1979-80 and 80 in the preceding year. Of the total 47 (56 percent) were assistant professors; 21 (25 percent) were associate professors; and 16 (19 percent) were professors. The total and distribution by rank did not appear to be significantly different from prior years although an upward trend may emerge with future reports.

The Board Office noted that the patterns and types of resignations were very similar to those observed in 1979-80, with a total of 61 percent accepting positions with other universities, 6 percent returning to school for further education, 26 percent accepting positions with government and the private sector, and 7 percent resigning for other reasons.

Vice President Moll noted that the percentage of the total number of resignations was higher than last year because there were twice as many resignations in the College of Nursing. Regent Harris pointed out that three of the people who left the School of Nursing took positions elsewhere within the university.

Regent Anderson said it appeared that there were an unusual number from the College of Medicine. Vice President Moll pointed out that there were 22 resignations in that college in 1980-81, 30 in 1979-80, and 21 in 1978-79. The number of resignations has remained at this level for the last few years.

President Brownlee accepted the annual report of resignations at the University of Iowa on behalf of the board.

BACHELOR'S DEGREE IN COMPARATIVE LITERATURE. It was recommended that the board refer this request to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The university recommended a change in degree title to make the title of the degree more consistent with usage throughout the country and to designate more adequately the nature of the major.

The university indicated this name change would not result in any changes in curriculum, course offerings, or in any additional resource needs.

The proposal was accepted by the Iowa Coordinating Council.

MOTION: Mr. Nolting moved that the board refer the request for a change in degree title in Comparative Literature to the Board Office and Interinstitutional Committee on Educational Coordination for review and recommendation. Mr. Neu seconded the motion and it passed unanimously.

BUILDING NAME. The university requested approval to rename the North Tower addition to University Hospitals as the Boyd Tower in honor of President Emeritus Willard Boyd and Susan Boyd.

The university reported that after consultation with the University Hospital Advisory Committee, it was recommended by the Director of University Hospitals and Clinics that the North Tower addition be renamed as the Boyd Tower. This recommendation was endorsed by the Building Names and the Campus Planning Committees of the university.

The action was recommended as a fitting tribute to President Boyd's key role in the development of statewide health care and educational resources of University Hospitals and Clinics over the past decade and to recognize the major contributions of Susan Boyd to both the University Hospitals and the university in general.

Presidenter Spriestersbach said that a presentation in regard to this name change was made to President and Mrs. Boyd during a luncheon with the Hospital Advisory Committee. They were very moved by this action. President Spriestersbach invited the board to view the portrait of the Boyds that hangs in the Boyd Tower.

MOTION: Dr. Harris moved that the board approve renaming the North Tower addition to University Hospitals as Boyd Tower in honor of President Emeritus Willard Boyd and Susan Boyd. Mrs. Anderson seconded the motion and it passed unanimously.

MERGER OF DIVISIONS IN EDUCATION. It was recommended that the board refer the university's request for approval of the merger of the Division of Educational Psychology, Measurement, and Statistics and the Division of Instructional Design and Technology in the College of Education into a single division titled the Division of Psychological and Quantitative Foundations to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The university indicated this change would have no effect on the educational programs offered. The recommendation was based on the fact that the programs of the two divisions are closely interrelated. The university said this merger should result in some reduction in administrative costs.

Vice President Moll pointed out that the merger would not involve any programmatic changes.

MOTION: Mr. Neu moved that the board refer the university's request for approval of the merger of the Division of Educational Psychology, Measurement, and Statistics and the Division of Instructional Design and Technology in the College of Education into a single division titled the Division of Psychological and Quantitative Foundations to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Nolting seconded the motion and it passed unanimously.

INSTITUTE OF ACCOUNTING RESEARCH. It was recommended that the board refer the request for approval of the establishment of an Institute of Accounting Research within the College of Business Administration to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

The university said the institute would stimulate increased research activity in the area of accounting and increase the level of research funding from external grants and contracts by providing focus for faculty research efforts.

This operation will be provided funding through a reduced load for the director and from private foundation funds for the first three years of operation. It was expected that following the initial three-year period, the institute would be fully self-supporting through externally generated funding.

Regent Wenstrand said it was his feeling that accounting departments in business schools are growing across the country. He asked if Vice President Moll thought there would be other research institutes to facilitate research in areas such as finance or management. Vice President Moll said there is already an institute in insurance but there are no plans for other institutes. He said that the faculty in accounting has increased in recent years and it needs some focus and support in obtaining the external funds which are available.

Regent Wenstrand was convinced there is a trend for accounting departments to become separate units and was not sure he agreed with such a trend. He said he was interested in ways that research and teaching efforts can be intermixed as much as possible. He did not want the proposed institute to separate itself from the college.

President Spriestersbach noted that this issue has received national discussion. He did not believe that the proposal was motivated by a desire for the kind of separation about which Regent Wenstrand was concerned. The proposal is an effort to focus on opportunities for external funds.

MOTION:

Mrs. Murphy moved that the board refer the request for approval of the establishment of an Institute of Accounting Research within the College of Business Administration at the University of Iowa to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. McDonald seconded the motion and it passed unanimously.

LEASE OF PROPERTY - MAYFLOWER VENTURE. It was recommended that the board approve the proposed lease with Mayflower Venture for space in the Mayflower Apartments for use as Law Library storage, at a monthly rental of \$1,115, for a period of one year commencing October 1, 1981.

The Board Office said this would be the second one-year extension of a lease originally negotiated in 1979. The rent of \$1,115 per month represented an increase of 3.7% over the previous rental fee.

The cost of \$2.78 per square foot for the 4,812 square feet of storage space for books was reported to be reasonable. The landlord provides utilities.

In addition in increasing the rent, the landlord placed additional housekeeping responsibilities on the Law Library to enable the landlord to perform normal maintenance duties.

MOTION:

Mr. Nolting moved that the board approve the lease with Mayflower Venture for space in the Mayflower Apartments for use as Law Library storage, at a monthly rental of \$1,115, for a period of one year commencing October 1, 1981. Mr. Wenstrand seconded the motion.

Upon a roll call, the following voted:

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

NAY: None

ABSENT: None

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

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, September 16, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for July 1981 and August 1981 were ratified by the board.

ANNUAL REPORT OF RESIGNATIONS. It was recommended that the board acceptance the annual report of resignations at Iowa State University for the period July 1, 1980, through June 30, 1981.

From July 1, 1980, to June 30, 1981 a total of 41 faculty members resigned. This total was compared with 35 in 1979-80 and 50 in the preceding year.

A total of 18 (44 percent) left to accept positions with other universities; 10 percent returned to school for further education; 32 percent accepted positions with government or the private sector, and 15 percent resigned for other reasons. These proportions were generally comparable to last year's, although a larger percentage left to return to school.

President Brownlee accepted the annual report of resignations at Iowa State University on behalf of the board.

TRANSFER OF SURPLUS FUNDS TO THE IMPROVEMENT FUND - UNIVERSITY RESIDENCE SYSTEM. It was recommended that the board approve a transfer of \$300,000 from the surplus fund to the improvement fund.

The Board Office explained that at present \$300,000 is transferred annually from operations to the improvement fund in conjunction with a 1964 bond resolution. That bond resolution allows an additional \$200,000 to be transferred to the improvement fund from any existing excess bond reserve funds. At present, a total of \$500,000 is transferred to the residence system improvement fund annually from these two sources. The requested authority for a transfer of \$300,000 from the surplus fund would bring the total to \$800,000 for 1981-82.

The additional \$300,000 was sought as a one-time request to supplement improvement fund balances. The funds would be taken from the system's surplus funds which exceeded \$3 million at the close of FY 1980-81. The university reported that improvement fund needs have been increasing annually.

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The university noted that improvement fund balances are presently less than outstanding encumbrances. This was not indicative of a cash flow problem, only an indication that additional funding was needed in the short run.

The Board Office recommended that the nonrecurring transfer of \$300,000 be approved.

Mr. Richey said this transfer would be appropriate. He said it indicated a strong effort by the institution to keep up facilities rather than deferring maintenance. He noted that the rate structure is designed to accomplish this.

MOTION: Mrs. Murphy moved that the board approve the transfer of \$300,000 from the surplus fund to the improvement fund. Mr. Wenstrand seconded the motion and it passed unanimously.

NAMING OF BUILDINGS AND STREETS - MARGARET SLOSS WOMEN'S CENTER.

The university requested approval to designate the space assigned to the University Committee on Women as the Margaret Sloss Women's Center.

The university explained that the building now officially carries the name of Sloss House and was named after Thomas Sloss, who was a member of the Iowa State University physical plant administration during the 1920s and 1930s.

The University Advisory Committee on the Naming of Buildings and Streets unanimously recommended naming the space permanently assigned to the University Committee on Women (the first floor of the Sloss House) as the Margaret Sloss Women's Center. Dr. Margaret Sloss, a daughter of Thomas Sloss, was a member of the Iowa State University staff from 1923 to 1972.

President Parks said that Margaret Sloss was the first woman graduate in veterinary medicine and was a distinguished person in her own right.

It was noted that the building was not being renamed but that the space assigned to the University Committee on Women was being renamed.

Regent Anderson asked when such actions became official. She noted that she had already seen stationery with this designation on it. Vice President Christensen said such designation was not official until the board gave its approval.

MOTION: Mrs. Anderson moved that the board designate the space assigned to the University Committee on Women as the Margaret Sloss Women's Center. Mr. Neu seconded the motion and it passed unanimously.

CABLE TV - INSTALLATION IN UNIVERSITY HOUSING. It was recommended that the board approve the development of a formal agreement with Ames Cablevision Company for installation of cable television in the married student housing area with the understanding that the formal agreement would be subject to review and approval by the executive secretary.

The Board Office explained that the Ames Cablevision Company expressed an interest in providing cable television service in the area of married student housing. The university agreed informally that there would be no objection to the proposal, subject to certain conditions.

The conditions would state that there would be no involuntary cost to the students or the university. Students would pay for whatever level of television service they arrange for individually with Ames Cablevision according to the rate structure applicable in Ames. Further, Ames Cablevision would pay Iowa State University at the same rate for providing cablevision service to the university married student housing community as for providing such service to the Ames community. In return, Iowa State University would agree to commit the funds received from Ames Cablevision to television service or programming to the Ames Cablevision system to the degree commensurate with the funds received.

Ames Cablevision did not express interest in providing cablevision services to other areas of the institution. In the past a proposal for cablevision in the dormitories was not acceptable because of an involuntary charge to students.

The Board Office said the university was aware of the need to develop a cable system throughout the campus for electronic communications of computer data and television for academic and administrative purposes. The institution assured the Board Office that the final agreement to be developed would contain no commitments that would impede the development of an electronic communications system throughout the Iowa State University community.

No commitment will be made by the institution to place a student in a position of involuntary participation in the cablevision service.

The institution estimated its revenue from Ames Cablevision would not exceed approximately \$1,500 based on 3 percent of gross revenue, the same rate as applicable for the City of Ames. Although the institution planned to use such funds for services or programming to Ames Cablevision, the Board Office questioned any commitment whatsoever to Ames Cablevision for the use of those funds.

Because neither the students nor the institution would incur any involuntary cost for the proposed cablevision installation and because no commitment would be made which would impede development of a comprehensive communication system throughout the university community, it was recommended that a formal agreement with Ames Cablevision be developed. The agreement should be subject to review and approval by the Board Office.

Vice President Moore responded to the Board Office's concern about the university making commitments to Ames Cablevision by referring to an item in the proposed agreement. It stated that

3. Revenue percentages paid by Ames Cablevision based upon services rendered to the university married housing community should eventually be received by the university, which in turn would agree, as has the city of Ames, that all such revenues would be committed to the regulation and improvement of cable television service and programming.

Vice President Moore said this clause was taken verbatim from the city franchise agreement. The university interpreted it to mean that it would use the funds internally for its own education and improvement. He noted that the university has an open cable channel on which it may program whatever it wants. He said this clause was not a commitment to Ames Cablevision to support its services. He said it was a commitment not to divert these funds to uses other than television programming.

Mr. Richey said he raised this issue because of a question of why the board and university should committ themselves to something which is in the discretion of the board and university to do voluntarily. He said the clause would create a contractual obligation to earmark these funds. He noted that the university may want to spend more or less in this area in a given year and this clause would make that impossible.

Vice President Moore said this issue was a minor point and that the clause could be omitted entirely in the formal agreement.

Vice President Moore asked if once the written agreement was completed, the university could proceed with the installation of cable. He said it was important to do this before it started to frost and that the timing of this was constrained by the cold weather.

Mr. Richey pointed out that it was recommended that the agreement be subject to review of the executive secretary. He noted that he had not anticipated the need to move so quickly.

MOTION: Mr. McDonald moved that the board approve the development of a formal agreement with Ames Cablevision Company for installation of cable television in the married student housing area with the understanding that the formal agreement is subject to review and approval by the executive secretary. Dr. Harris seconded the motion.

Vice President Moore asked if the board would object to actual installation of cable beginning in the next week if terms of the agreement were clarified. President Brownlee pointed out that such action would be subject to review and approval by the Board Office because the board was delegating that authority to the Board Office.

VOTE ON MOTION: The motion passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for the period of July 14 through September 17, 1981, had been received, was in order, and was recommended for approval.

There were no construction contract awards or recommendations.

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

Engineering Annex - Remodel Second Floor

The university submitted a revised budget increasing the total project cost to \$757,000, which is an increase of \$20,000 over the prior approved budget. The reason for the increase was to reflect funding for the primary electrical system improvements which were included in the building electrical improvements portion of the Utilities - Campus Improvements project.

The budget was also amended to reduce the amount of physical plant work by \$27,000. The university determined that its plant forces could not complete on a timely basis the painting and finishing needs. A contract change order was negotiated with the contractor on the project in the amount of \$28,875. The University's estimate for this work was \$33,000. The board was requested to approve the contract change order with K S & K Corporation because the amount of the change order was over the \$25,000 limit for institutional approval of a contract change order.

Library Addition - Phase I

The university submitted a revised project budget to include the \$1,520,000 in movable equipment authorized by the 1981 Legislative Session to be funded from academic revenue bonds to be sold during fiscal year 1981-82. This made the total project budget \$10,020,000.

Utilities - Campus Improvements

This project, which includes eight subprojects, was authorized at \$1,356,000, of which \$1,056,000 was funded from academic revenue bonds authorized in 1981. A revised budget reflected the \$20,000 transfer mentioned above to the Engineering Annex project for building electrical improvements and reestablishes the budget at \$1,336,000.

The board was requested to approve the following contract change order:

Utilities - North Campus Storm Sewer Addition

In July the board approved this project in the amount of \$958,000. At the same time, the Phase I construction contract was awarded to D. C. Construction Corp., Ames, Iowa, in the amount of \$465,000. The budget reserved \$220,500 for future contracts.

The university determined a need to construct an additional storm sewer to serve the general area of the new Horticulture Building Addition. A contract change order with D. C. Construction Corp. for this work was negotiated in the amount of \$76,000. To avoid delay and because the project was at the point where work needed to proceed concurrently with the overall sewer project, the board was requested to approve this contract change order on August 26.

The board was now requested to ratify its action and formally approve a contract change order totaling \$87,475. The difference between the two change order amounts was due to the university combining several other items into one change order to decrease administration costs.

The board was also requested to approve an increase in the maximum amount of the contract with Rieke Carroll Muller Associates, Inc., engineers on the project, of \$24,500 for additional services rendered for the Knoll Road streetscape, Knoll Road lighting, and the aforementioned Horticulture storm sewer. These additional services were requested by the university and increased the maximum payable under the contract from \$36,200 to \$60,700.

The board was requested to approve the following new projects:

Department of Residence - Emergency Electrical Systems
Source of Funds: Dormitory Systems Surplus

\$100,000.00

This project, intended to comply with fire safety deficiencies pointed out by the State Fire Marshal, will install electrical generator sets in eight dormitories.

Utilities - Heating Plant - Centrifugal Chiller #1 Repair

Source of Funds: Overhead Reimbursement for Use of Facilities \$75,000.00
or \$200,000.00

The university was investigating whether the chiller could be made operational through repair of damaged tubes (\$75,000) or whether complete retubing would be required (\$200,000).

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

Mechanical Engineering and Engineering Science and Mechanics Building

In July the board selected Charles Herbert & Associates of Des Moines as project architect. The university now requested approval to select of John Hart, Incorporated, Des Moines, as cost consultant. The role of this consultant would be to work with the architect to provide cost control during the design phases of the project. Compensation for these services would be based upon hourly rates to a maximum of \$46,470. Source of funds for these costs would be the Iowa State University Achievement Fund. The fund is also picking up the costs of architectural services.

Gilman Hall Renovations - Phase I

A project totaling \$3 million was authorized to undertake renovations in Gilman Hall. This project will be funded from academic revenue bonds to be sold this fiscal year. The university recommended an agreement for architectural services be approved with Wehner, Nowysz, Pattschull & Pfiffner, Iowa City, Iowa. This agreement would be for predesign services and includes code analysis, building evaluation, program development, master planning, and cost estimating. Compensation would be on an hourly rate basis to a maximum of \$65,332. Completion of those services would be in December. The master planning documents and cost estimates will be the basis to establish priorities for work to be included in the Phase I project. A new agreement for the balance of architectural design services for Phase I will be prepared at that time.

Utilities - Heating Plant Improvements

The university negotiated an amendment to the design services agreement with Brown Engineering Company, Des Moines, Iowa, initially approved by

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the board in December 1980. That original contract provided for compensation on the basis of hourly rates to a maximum fee of \$22,000 and was based on a \$280,000 project. Since that time, the Legislature authorized from funding with academic revenue bonds an additional project of \$1,290,000. Compensation for the total project based on hourly rates with a fixed maximum of \$57,500 represents approximately 4% of the cost of the total project of \$1,570,000. The Board Office recommended approval of the amendment.

MOTION:

Mrs. Jorgensen moved that the board approve the Register of Capital Improvement Business Transactions for the period of July 14 through September 17, 1981; approve the revised or amended project budgets; approve the contract change orders; approve the new projects; approve the consultant agreements; and authorize the executive secretary to sign all necessary documents. Dr. Harris seconded the motion and it passed unanimously.

SALE OF \$6,600,000 STATE BOARD OF REGENTS, STATE OF IOWA, IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY ACADEMIC BUILDING REVENUE BONDS, SERIES I.S.U. 1981. The Board Office reported that in Senate Concurrent Resolution 35 the 1981 Legislature authorized sale by the Board of Regents of \$58 million in academic revenue bonds over the next two years. Bonds which can be issued the first year total \$30 million. The board approved in June the division of the \$30 million among the three universities as follows:

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

The sale of \$6,600,000 in bonds for Iowa State University at this time would fund these projects:

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North Campus Storm Sewer	\$ 908,000
Library Addition	4,200,000
Quadrangle Equipment and Utilities	1,020,000
Heating Plant Improvements - Initiate Project	200,000
Campus Utility Improvements - Initiate Project	210,000
Issuance Costs	<u>62,000</u>
Total	<u>\$6,600,000</u>

This would leave the following projects and amounts for a future Iowa State University issue:

Fire Safety	\$1,185,000
Library Addition Equipment	1,520,000
Energy Management	1,340,000
Gilman Hall	3,000,000
Campus Utility Improvements - Finish Project	826,000
Heating Plant Improvements - Finish Project	1,090,000
Issuance Costs	<u>39,000</u>
Total	<u>\$9,000,000</u>

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

- Bonds will bear the date of October 1, 1981, in coupon denominations of \$5,000 each. Bonds shall bear interest from the date thereof with the first interest payment being made January 1, 1982, and semi-annually thereafter on the first dates of July and January each year. Bonds will mature in numerical order with the first principal payment being \$350,000 on July 1, 1984, with succeeding payments ranging from \$350,000 to \$400,000 annually through the year 2001 inclusively. The type of bonds utilized by the board for academic revenue bonds is essentially 20-year even principal bonds.
- Bonds are redeemable by the board on any interest payment date on or after July 1, 1993, upon terms of par and accrued interest plus a premium equal to 1/2 of 1% of the principal amount of any such bonds called for redemption for each year or a fraction thereof between the redemption date and the stated maturity of such bonds, but in any event not to exceed 3% of the amount of such bonds.

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

The board has had five prior issues for Iowa State University. Total bonds issues for the university, excluding this issue, have been \$19,880,000 of which \$12,300,000 principal will remain outstanding as of June 30, 1982.

President Brownlee called the meeting to order at 1:00 p.m., Central Daylight Saving Time, at Iowa School for the Deaf, Council Bluffs, Iowa. The roll being called there were present S. J. Brownlee, president, in the chair, and the following named board members: Anderson, Harris, Jorgensen, McDonald, Murphy, Nolting, Neu, and Wenstrand.

President Brownlee stated that the meeting was for the purpose of receiving separate sealed bids on sale of \$6,600,000 Academic Building Revenue Bonds, Series I.S.U. 1981, of the State Board of Regents of the State of Iowa.

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

President Brownlee introduced Elwood Barce, Vice Chairman of Speer Financial, Inc., the board's bond consultants.

President Brownlee directed the executive secretary to open thesealed bids and asked Mr. Bruce to read the sealed bids. Mr. B reported that four sealed bids were received. The bids were as follows:

<u>Bidders</u>	<u>Net Interest Rate</u>
John Nuveen & Co., Inc. - Chicago and Dean Witter Reynolds, Inc. - New York and Shearson Loeb Rhoades, Inc. - New York and Smith Barney, Harris Upham & Co., Inc. - New York and Securities Corporation of Iowa - Cedar Rapids - Jt. Mgrs.	11.1891

<u>Bidders (con't)</u>	<u>Net Interest Rate</u>
Carleton D. Beh Co. - Des Moines and Merrill Lynch White Weld Capital Market Group and Dain Bosworth Incorporated - Minneapolis - Jt. Mgrs.	11.5928
Harris Trust and Savings Bank - Chicago and The Northern Trust Company - Chicago and Iowa-Des Moines National Bank and First National Bank in Dallas - Jt. Mgrs.	11.80559
Bache Halsey Stuart Shield Incorporated - New York and Kidder, Peabody & Co. Incorporated - New York and Drexel Burnham Lambert Incorporated - New York and Bankers Trust Company - New York - Jt. Mgrs.	12.950403

President Brownlee directed Mr. Barce and Mr. McMurray to calculate the bids. After consideration of the bids, Mr. Barce recommended that the board accept the bid of John Nuveen & Co., Inc, - Chicago and Dean Witter Reynolds, Inc. - New York and Shearson Loeb Rhoades, Inc. - New York and Smith Barney, Harris Upham & Co., Inc. - New York and Securities Corporation of Iowa - Cedar Rapids - Joint Managers at a net interest rate of 11.1891. Mr. Barce said this was an excellent bid which reflected highly on the credit standing of the Board of Regents.

MOTION:

This being the time and place fixed by published notice, the board took up for consideration the matter of bids for the purchase of \$6,600,000 Academic Building Revenue Bonds, Series I.S.U 1981, of said board. After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled, "Resolution providing for the sale and award of \$6,600,000 Academic Building Revenue Bonds, Series I.S.U. 1981, and approving and authorizing the agreement of such sale and award." which was introduced and caused to be read. Mr. Wenstrand moved that said resolution be adopted, seconded by Dr. Harris and the roll being called the following voted:

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

NAY: None

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

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MOTION:

The board took up for consideration the matter of authorizing and issuing \$6,600,000 Academic Building Revenue Bonds, Series I.S.U. 1981. Whereup Mr. Neu introduced and caused to be read a resolution entitled "A Resolution authorizing and providing for the issuance and securing the payment of \$6,600,000 Academic Building Revenue Bonds, Series I.S.U. 1981, for the purpose of defraying the cost of buildings and facilities on the campus of the Iowa State University of Science and Technology," and moved that said resolution be adopted. Mr. Wenstrand seconded the motion and after due consideration by the board the president put the question on the motion and upon the roll being called the following voted:

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

NAY: None

Whereupon the president declared the motion duly carried and said resolution adopted.

MOTION:

Mr. Nolting moved that all certified checks submitted by bidders, except for that of the best bid, be returned. Mrs. Anderson seconded the motion and it passed unanimously.

MOTION:

Mr. Neu moved that the firm of McGladrey Hendrickson and Company, Des Moines, Iowa, be employed as bond auditor. Mrs. Anderson seconded the motion and it passed unanimously.

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

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, September 16, 1981.

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

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

Change of Status:

Dr. David R. Grownfield, from Professor of Philosophy and Religion to Professor and Acting Head, Department of Philosophy and Religion, effective August 19, 1981, at a salary of \$30,998.

President Kamerick pointed out that this would be a one-year appointment.

MOTION: Mrs. Anderson moved that the board approve the change of status for Dr. Grownfield. Mr. Neu seconded the motion and it passed unanimously.

ANNUAL REPORT OF RESIGNATIONS. It was recommended that the board accept the annual report of resignations at the University of Northern Iowa for the period July 1, 1980, through June 30, 1981.

The Board Office noted that from July 1, 1980, to June 30, 1981, a total of faculty members resigned from the university. This figure was comparable to 32 resignations in 1979-80 and 30 in 1978-79.

The pattern of reasons for resignation was similar to that observed in 1979, with a total of 47 percent resigning to accept positions with other universities, 37 percent accepting jobs with government or the private sector, and 17 percent leaving for other reasons. Female faculty resignations account for 27 percent of the total, compared to 31 percent last year and 30 percent the preceding year.

Vice President Martin noted that the resignation of Professor John N. Warfield of the School of Business was not unexpected. He explained that Professor Warfield had been on leave from the University of Virginia. Vice President Martin said Professor Warfield was a stimulating catalyst while he was on campus.

President Brownlee accepted the annual report of resignations for the University of Northern Iowa on behalf of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the Register of Capital Improvement Business Transactions for the period of July 3 through September 4, 1981, had been received, was in order, and was recommended for approval.

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

Electrical System Improvements - 12.5 KV Distribution - Phase I -
Electrical Equipment and Wiring

Award to: Meisner Electric, Waterloo, Iowa \$227,600.00

The board was requested to approve the following new project:

Residence System - Compliance with Fire Safety Report, Emergency Power

Source of Funds:	Residence System Surplus Fund	\$157,000	
	1981 Academic Revenue Bonding	<u>3,000</u>	
	Total		<u>\$160,000.00</u>

This project is to install two emergency electrical generator systems to supply electric power for emergency lights, exit lights, and fire alarms in seven resident buildings and three dining buildings. A small part of the funding was proposed from academic revenue bonding for fire safety purposes in that the Commons is, in part, used by academic programs, more specifically the Media Center. This project is intended to complete all fire safety deficiencies in residence halls pointed out by the State Fire Marshal in an inspection of January 1979, except for those modifications in Bartlett Hall. Bartlett Hall recommendations are expected in the near future.

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

Energy Conservation - Central Control System and Energy Retrofit "Control"
Items for Seven Buildings

Approve payment of \$936.54 to Durrant Engineers, Inc., Madison, Wisconsin, for additional services requested by the university which were outside the scope of the original design agreement.

Coal-Fired Boiler Replacement and Auxiliaries

Approve payment of \$6,883.05 to Brown Engineering Co., Des Moines, Iowa, for additional services requested by the university which were outside the scope of the original design agreement. There were three items which involve performance and compliance testing of the new boiler, federal government requirements on the new boiler, and a reimbursement for engineering services associated with the review and repairs/replacement of the baghouse damage which occurred during the startup procedures. This latter item was held in abeyance until the insurance company made payment for the baghouse damage.

Steam Distribution Improvements - 1981

The university requested permission to negotiate a design agreement for two of the four subprojects within the overall project title listed above. Those projects include Replace Steam Condensate Lines and Construct Steam Loop #3. A recommendation on a consultant and a contract will be brought to the board at a later date.

Residence System - Compliance with Fire Safety Report, Emergency Power

The university requested permission to negotiate a design agreement for this project with Gilmor & Doyle of Waterloo, Iowa. This firm was selected because of their availability to the university and because the firm performed the feasibility study on this project. A contract will be brought back to the board at a later date.

Energy Management Program - 1981

The university reported that The Durrant Engineers energy conservation audit and study of 28 buildings at the university was complete. Acceptance was recommended. This audit completed the so-called Class A audit requirements on virtually all academic buildings at the university. The university requested authorization to negotiate a design agreement with Durrant Engineers to prepare plans and specifications for control and non-control retrofit work pointed out through the audit of the 28 buildings. A contract would be brought to the board for approval at a later date.

These energy audits contain detailed information on energy conservation opportunities to be undertaken in each of these buildings. A simple payback plan has been utilized which is based on the savings in energy taken against the investment required. The university determined that it can undertake, within funds now available, simple payback items within those buildings averaging 1.9 years. Additional funds will be requested in a later biennium to undertake more hard projects pointed out in the energy audits with longer but still extremely attractive payback periods.

Mr. McMurray expressed pleasure for the movement of the energy management program.

Fire Safety Deficiency Corrections

The university requested permission to negotiate a design agreement with Durrant Engineers to prepare plans and specifications for the fire alarm system improvements portion of the overall fire safety deficiencies project. The university intends to interconnect its existing fire alarm system with the automated centralized control system which has been purchased and will be installed under the energy conservation program. A total of 34 buildings will be connected to the central system for fire alarm purposes.

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The university intends to draft a single agreement with Durrant Engineers for both the control and non-control retrofit work in the 28 buildings mentioned above and for the fire alarm system improvements project, as the two projects are interrelated. That contract will be brought to the board at a later meeting.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for the period of July 3 through September 4, 1981; ratify award of contract by the executive secretary; approve the new project; approve consultant contract actions requested; accept the energy audits; and authorize the executive secretary to sign all necessary documents. Mrs. Anderson seconded the motion and it passed unanimously.

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

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, September 16, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for July and August 1981 were ratified by the board.

ANNUAL REPORT OF RESIGNATIONS. It was recommended that the board accept the report of teacher resignations for the Iowa School for the Deaf for the 1980-81 school year.

The school reported there were three teacher resignations as of May 1981. Of these, one retired, one went into business, and one moved to Des Moines. The number of teacher resignations was less than the five reported in 1979-80 and ten reported for 1978-79.

President Brownlee accepted the annual report of resignations for the Iowa School for the Deaf on behalf of the board.

ORAL REPORT ON SCHOOL OPENING. Superintendent Giangreco reported that a parent-infant workshop was held at Iowa School for the Deaf in August. It was financed by the Lions Clubs across the state. Seventeen sets of parents participated with most of the children being under 2 years of age. The workshop was very successful.

A new program for gifted deaf was started this summer in conjunction with the Boys Town Center for Communication Disorders. This program was funded by the Sertoma Clubs.

Superintendent Giangreco said that the mainstreaming program includes 31 students. A lid has been put on this vital program because of problems of local school districts not paying Lewis Central. They are working to resolve this problem.

Enrollment at Iowa School for the Deaf this year is down about 15 students. School is going very well and staffing is completed, said Superintendent Giangreco.

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

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The first action was a contract change order in the amount of \$2,986. This contract change order to Butler Construction, Inc., was necessary for extra work done on the elevator installations in the Elementary School and High School.

The second item was submittal of a certificate of substantial completion to Butler Construction, Inc., which states that the work is substantially completed on the construction of the Vocational Building Addition, the new access road, and handicapped modifications in the High School, Elementary School, and the Infirmary. The handicapped work in the Administration Building was not included.

MOTION: Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for July and August 1981 which included the two items outlined above and authorize the executive secretary to sign all necessary documents.

1981-82 TITLE I BUDGET. It was recommended that the board give final approval to the Title I restricted fund budget for 1981-82.

In July the board gave preliminary approval to a Title I supplemental education fund budget of \$173,168. Final Regent approval was contingent upon program approval by the Department of Public Instruction and the presentation of a program budget at this meeting.

In July it was reported that support this year compared to 1980-81 decreased about 2 percent. The reduction in funding was largely due to a reduction in students, a criterion for funding.

The Department of Public Instruction has approved the 1981-82 program.

The distribution of Title I funds between salaries and all other planned expense is summarized and compared to the two previous years below:

<u>Expense Category</u>	<u>1979-80 Budget</u>	<u>1980-81 Budget</u>	<u>1981-82 Budget</u>
Salaries	\$161,673	\$126,607	\$130,226
All Other Expense	<u>29,744</u>	<u>49,918</u>	<u>42,942</u>
Total	<u>\$191,417</u>	<u>\$176,525</u>	<u>\$173,168</u>

As noted in the final operating budget for the general fund supported program, the 4.6 percent appropriation reduction this year resulted in two additional speech teachers being supported with Title I funds. The school reported a number of staff deletions and additions of staff. Total staff full-time equivalent positions in 1981-82 were 8.5 compared to 7.0 in 1980-81.

The program elements noted in the following table were detailed by the school:

<u>Program Elements</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Instruction	\$159,701	\$132,638	\$127,159
Academic Support	900	13,692	14,849
Student Services	16,637	17,119	18,333
Institutional Support	14,179	13,076	12,827
	<u>\$191,417</u>	<u>\$176,525</u>	<u>\$173,168</u>

It was reported that the distribution of the funding above represented essentially a continuation of a new instruction-based program initiated in 1980-81 described as Career Orientation and Skills Training. It was designed to supply students with practical experience in independent living and work skills.

Reduction in funding reduced support for the summer travel team and inservice training for parents.

The Board Office noted that the program elements encompass a variety of projects.

MOTION:

Mr. Wenstrand moved that the board give final approval to the Title I restricted fund budget for 1981-82. Mr. McDonald seconded the motion and it passed unanimously.

RENEWAL OF AGREEMENT FOR PHYSICAL THERAPY SERVICES. It was recommended that the board:

1. Approve the tentative agreement between Iowa School for the Deaf (ISD) and the Leavenworth Physical Therapy Clinic (Leavenworth) for the provision of physical therapy services by Leavenworth at Iowa School for the Deaf for a guaranteed minimum of 16 hours per week for 31 weeks at a rate of \$19.50 per hour; and
2. Authorize the Superintendent of Iowa School for the Deaf to execute this agreement on behalf of the board.

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The Board Office said this agreement would be the third in a series of one-year contracts between Iowa school for the Deaf and Leavenworth. The new agreement called for the services of a physical therapist, licensed by the State of Iowa, for a minimum of 16 hours per week for 31 weeks. The new hourly rate of \$19.50 was an increase of 9.9 percent from the previous rate of \$17.75. The school noted that funds for this service are budgeted within its Title I program.

MOTION:

Mr. Neu moved that the board approve the tentative agreement between Iowa School for the Deaf and the Leavenworth Physical Therapy Clinic for the provision of physical therapy services by Leavenworth at Iowa School for the Deaf for a guaranteed minimum of 16 hours per week for 31 weeks at a rate of \$19.50 per hour and authorize the superintendent of Iowa School for the Deaf to execute this agreement on behalf of the board. Mr. Wenstrand seconded the motion and it passed unanimously.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to the Iowa Braille and Sight Saving School was transacted on Wednesday, September 16, 1981.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for July 1-25, 1981, and July 15-August 22, 1981, were ratified by the board.

ANNUAL REPORT OF RESIGNATIONS. It was recommended that the board accept the annual report of resignations at Iowa Braille and Sight Saving School for 1980-81.

It was reported that a total of 13 faculty members resigned in 1980-81, including 1 termination for lack of approval of certification requirements. Of these, 5 accepted positions in other schools, 2 returned to school for further education, 3 became self-employed, and 2 took early retirement.

The total number of resignations was significantly greater than in prior years. Four resignations were reported in 1979-80; three were reported in 1978-79. Also, 9 of the 13 resignations were from developmental teachers.

Superintendent DeMott said Iowa Braille and Sight Saving School was very gratified that over the last few years there has been an improvement in its ability to attract qualified individuals. The quality of the individuals employed has had a definite impact on the institution. He said he was grateful for the current faculty and the job it is doing.

President Brownlee accepted the annual report of resignations at the Iowa Braille and Sight Saving School on behalf of the board.

1980-81 TITLE I BUDGET. It was recommended that the board approve the Title I budget for 1981-82.

In July the board gave preliminary recognition to a restricted fund grant of \$50,400. The executive secretary was given authority to act in the interim on detailed budget plans when received, subject to program approval by the Department of Public Instruction.

Since the last meeting the Department of Public Instruction approved the school's Title I Program.

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The restricted Deaf/Blind Program funding was phased out. Initial estimates of reductions in Title I supplemental instructional funding proved to be too pessimistic. Actual 1981-82 support declined \$3,072 or less than 6% for Iowa Braille and Sight Saving School.

Because of the uncertainties related to the amount of Title I support and reductions in enrollment, enrollment being a criterion for support, the school reduced staff salaries supported by this grant. The mix between salaries and all other expenses supported from Title I funds are summarized below and compared to the two previous years:

<u>Expense Category</u>	<u>1979-80 Budget</u>	<u>1980-81 Budget</u>	<u>1981-82 Budget</u>
Salaries	\$51,944	\$49,511	\$21,229
All Other Expenses	<u>3,670</u>	<u>3,961</u>	<u>29,171</u>
Total	<u>\$55,614</u>	<u>\$53,472</u>	<u>\$50,400</u>

Less than two full-time equivalent positions are now supported with Title I funding. None are faculty. Some positions, as previously reported, have been shifted to the general fund budget to the extent needed.

There were some program support changes reported for 1981-82. This was in keeping with the intent of Title I funding, that is to test new concepts and program elements to determine their applicability to general program.

The following table categorizes major projects supported with Title I funds over the last three years and the support level committed.

<u>Major Project</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
Instruction & Curric. Dev.	\$35,675	\$22,127	\$27,500
Extended School Year	10,109	15,362	0
Recreation	9,830	12,022	10,729
Low Vision Clinic & Inservice			
Training	0	0	3,000
Home Visitation	0	0	3,500
Work Study	0	0	2,000
Institutional Support	0	3,961	3,671
Total	<u>\$55,614</u>	<u>\$53,472</u>	<u>\$50,400</u>

The extended school year concept with the purpose "... to accelerate developmental process and minimize regression" is now supported with general funds.

The Title I program budget will be used for a variety of projects.

MOTION: Mr. Anderson moved that the board approve the restricted fund budget for 1981-82. Mr. Nolting seconded the motion and it passed unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. There were no actions reported on the Register of Capital Improvement Business Transactions for July and August 1981.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:42 p.m., September 16, 1981.


R. Wayne Riney
Executive Secretary