

The State Board of Regents met at the State University of Iowa on Thursday and Friday, September 18 and 19, 1980. Those present were:

	<u>September 18</u>	<u>September 19</u>
Members of State Board of Regents:		
Mrs. Petersen, President	All Sessions	All Sessions
Mr. Bailey	All Sessions	All Sessions
Mr. Brownlee	All Sessions	All Sessions
Mr. Harris	All Sessions	All Sessions
Mrs. Jorgensen	All Sessions	All Sessions
Mr. Neu	All Sessions	All Sessions
Mr. Shaw	All Sessions	All Sessions
Mr. Wenstrand	All Sessions	All Sessions
Office of State Board of Regents:		
Executive Secretary Richey	All Sessions	All Sessions
Director Barak	All Sessions	Exc. 2:30 p.m.
Director McMurray	All Sessions	All Sessions
Director Sonnenschein	All Sessions	All Sessions
Assoc. Director Caldwell	All Sessions	All Sessions
Ms. Baker, Secretary	All Sessions	All Sessions
State University of Iowa:		
President Boyd	All Sessions	All Sessions
Vice President Bezanson	All Sessions	All Sessions
Vice President Brodbeck	All Sessions	All Sessions
Assistant Vice President Small	Arr. 1:30 p.m.	All Sessions
Assistant to President Mahon	All Sessions	All Sessions
Director Hawkins		All Sessions
Acting Director Brisben	All Sessions	All Sessions
Ms. Phillips	All Sessions	All Sessions
Iowa State University:		
President Parks	All Sessions	Exc. 3:30 p.m.
Vice President Christensen	All Sessions	Exc. 3:30 p.m.
Vice President Hamilton	All Sessions	Exc. 3:30 p.m.
Vice President Moore	All Sessions	Exc. 3:30 p.m.
Assistant Vice President Madden	All sessions	Exc. 3:30 p.m.
Assistant to President Henry	All Sessions	Exc. 3:30 p.m.
University of Northern Iowa:		
President Kamerick	All Sessions	Exc. 3:35 p.m.
Provost Martin	All Sessions	Exc. 3:35 p.m.
Vice President Stansbury	All Sessions	Exc. 3:35 p.m.
Director Kelly	All Sessions	Exc. 3:35 p.m.
Iowa School for the Deaf:		
Superintendent Giangreco	All Sessions	Exc. 3:40 p.m.
Business Manager Kuehnhold	All Sessions	Exc. 3:40 p.m.
Iowa Braille and Sight Saving School:		
Superintendent DeMott	All Sessions	Exc. 3:45 p.m.
Business Manager Berry	All Sessions	Exc. 3:45 p.m.

GENERAL

The following business pertaining to general or miscellaneous items was transacted on Thursday, September 18, 1980.

APPROVAL OF MINUTES. Because the minutes of the August board meeting were distributed just prior to this meeting, action on approving them was deferred.

COMMITTEE ON EDUCATIONAL COORDINATION. a. Major in Surveying at Iowa State University. Because the university inadvertently responded to an outdated set of Regents review questions in the material submitted in August, new material was prepared. The Interinstitutional Committee on Educational Coordination (ICEC) and the Board Office had not yet reviewed the new material and this matter was deferred until October.

b. Ph.D. in History of Technology and Science at Iowa State University. The Board Office recommended that approval of this program be deferred at this time.

In June the board referred a proposal by Iowa State University to offer a Ph.D. program in the History of Technology and Science to the ICEC and the Board Office for review and recommendation. The ICEC recommended that the proposal be approved.

The Board Office indicated mixed reactions to the proposal. It noted that the history of technology and agricultural technology and sciences is an area of great strength at the university. However, the Board Office had two primary concerns with the program. Since the degree proposal represents the first Ph.D. level program in humanities at the university and the first doctoral program in history, it could represent a first step in the major expansion of doctoral programs at Iowa State University.

Referring to the approved mission statement for the university, the Board Office said it could be argued that the "needs of the state" for this particular program are not great. There is also a question of the adequacy of support for the proposed program.

The university indicated that no additional resources would be necessary for the program. However, the Board Office noted that the proposal indicated in several places "courses in addition to those already taught in the department (or their equivalent) will be carried as scheduled overloads by program staff." Seventeen courses were identified as being new or drastically changed and six courses were identified as being moderately changed. The proposal indicated only three faculty members would be chiefly involved in this program area on a full-time basis.

The Board Office said it appeared the present staff would be taking on a very heavy workload which would include preparation of a number of new

or drastically changed courses. Under these circumstances, it would be difficult to believe that additional faculty resources would not be highly desirable in order to offer the new program and not sacrifice the quality of existing efforts. No reductions in other related programs areas were noted in the proposal.

The Board Office pointed out that the proposal indicated need for graduate assistants and "minor library purchases of microfilms and occasional other sources." While it was noted that these items can be covered by research grants from foundations and private individuals, there is no guarantee that such funds will be forthcoming.

In view of these concerns, the Board Office recommended that this program not be approved at this time and further recommended that the Regents review the more general issue of Iowa State University offering its first Ph.D. program in the humanities. It said a possible need to add some cautionary statement to the institution's mission statement to discourage the proliferation of additional "unnecessarily duplicative" Ph.D. program in the humanities should be examined, in the event this program is approved at a later date. The Board Office recommended that the proposal be resubmitted when the state's financial picture has improved.

Vice President Christensen opened discussion on the topic by stating the ICEC is mindful of the financial problems of the state. However, the committee suggested that the institution should make the judgment about when the economic conditions are right for introducing this program. He said this is an institutional funding problem.

President Parks introduced several individuals who were knowledgeable about the program. These were Dr. Wallace Russell, Dean of Humanities and Sciences at Iowa State University; Dr. Richard Lowitt, Chairman of the History Department at the university; and Dr. Robert Scofield, Head of the program in the History of Science and Technology.

President Parks then spoke about his own view of this proposal. He noted that the Board Office had raised three questions: is the program needed, is Iowa State University qualified to offer such a program, and does the program fall within the mission of Iowa State University?

President Parks said the answer to whether the program is needed is a clear and compelling yes. He said counting the number of potential majors is only one way of measuring need and there are other more compelling and valid methods. He said there are critical problems in the state, nation, and world. These include the development of invisible missiles and airplanes, developing of new energy sources, space exploration, feeding the world, etc. All of these problems depend upon science and technology to produce partial solutions to them. President Parks said the reliance on science and technology is not a new development. He said it could be generalized that almost every major scientific and technological advance has given rise to huge philosophical, social, and political problems.

President Parks said that as billions of dollars are spent on science and technology to help solve these problems, it is reasonable to recognize a need to spend a pittance of that amount to educate people in an attempt to assess the impact of technological scientific development upon humankind. He said he believes that a course in the history of science and technology should be taught in every college and university as part of a general education, and in particular for students of science and technology, as a reminder of the social significance to the world of their careers. Scientists too often view their jobs as simply solving problems and are not concerned with the social impact on the world.

In answer to the question of whether Iowa State University is qualified to offer this program, President Parks indicated that the ICEC has approved the program. He said the History Department has been building up a competency in this area in which Iowa State University has a natural advantage. He said there is strong support across the campus.

In response to the question about whether the proposed program falls within the mission of the university, President Parks said it most certainly does. He referred to the inaugural address he gave 15 years ago entitled "The Role of Iowa State University in the Scientific Age: Toward a New Humanism." He said the theme of that address was that the university is uniquely endowed with the potential for a blending of sciences and humanities and that such a blending would meet great societal need. President Parks said striving toward this end is within the mission of the university and should be one of the university's major goals. He also thought the proposed Ph.D. program is the very best example of implementing the goal of blending science and humanity.

President Parks stated that the mission statement of the university in no way precludes or discourages the university from offering this kind of program. He noted that there might be some concern about labeling the program with humanity. He said this is a way of noting that the degree will be based in the History Department. He noted that it could be more properly labeled with a hybrid name because of the large and important components of study in science and technology. The components are now part of an average humanities program. President Parks said the proposed program is distinctly different and said he saw no reason for deferring action on it.

Noting that the Board Office expressed concern about available resources, President Parks asked Dean Russell to speak on this aspect.

Dean Russell began by citing President Park's inaugural address:

The assumption of a "new humanism," must be that in the modern world, the liberal education--the humanistic education, if you will--is one in which an understanding of the language and the meaning of science must be an integral part. Science, I believe, must be inseparably at the core of the modern liberal education.

Dean Russell said that in this address President Parks made it clear that the education of scientists and technologists, as well as others, must fall within this context.

Dean Russell said the proposed Ph.D. program was a matter tied to the fundamental maturation of the university. He said it has been the task of the College of Sciences and Humanities to integrate its excellence in the sciences with its excellence in the humanities in order to give educational substance to the concept of a "New Humanism" as described by President Parks. He said the recommended program falls directly into that line of development.

Dean Russell indicated that the new program would not be a new development. The university has had undergraduate and masters program in the history of science for the last 25 years. He said the last three chairmen recognized it was a natural specialization for a history department in a university like Iowa State University.

Science majors need to understand the historical contexts of their disciplines, other students need to recognize the central role of science and technology in history and current civilization, and the science faculty profit from association with colleagues in the history of their discipline. Step by step, said Dean Russell, a structure has been put in place giving the university the capability of offering doctoral level work in the history of technology and science.

Dean Russell then turned his attention to the question of the sufficiency of faculty resources. He said of the 29 faculty members in the History Department, 4 are predominantly in the area of History of Technology and Science. These include two full professors of real distinction, an associate professor, and an instructor. Dean Russell said that according to Isis, a leading journal in this field, this is sufficient for a doctoral program. He listed several universities with similar programs and similar numbers of faculty and said Iowa State University is thoroughly competitive in both number and quality of faculty.

Dean Russell mentioned that there is significant auxiliary support in the offering through a large grant from Mrs. Henry H. Wallace for an endowed chair, The Henry A. Wallace Professorship in the related field of Agricultural History and Rural Studies.

In regard to the concern over the 17 new or drastically changed courses, Dean Russell pointed out that the proposed program would be started at the same time the university changes from a quarter system to a semester system. Because of this, all courses at the university would be new or drastically modified, not just courses in the history of technology and science.

Dean Russell said four faculty could handle the undergraduate and graduate courses because the load is cut in half since the courses would be offered in alternate years. Furthermore, while some of the courses would be new to this university, they would not be first time courses for the faculty who have taught equivalent courses at other universities.

Dean Russell stressed that the proposed Ph.D. program would not be a large program. Perhaps three students would be admitted to the program in the first year. The total number of graduate students would never exceed 12-16 students. Many of the advanced level courses would be tutorials, small seminars, or courses in which students learn to teach by sitting in on larger undergraduate courses. Other courses are entirely made up of subject matter which the faculty have previously taught. Covering these courses will not detract from other teaching in the department but will be the kind of activity in which an active and excellent faculty seek to be involved as part of their professional fulfillment.

On the question of the need for graduate assistants, Dean Russell indicated that the department now has six graduate assistants, one grader, and one archival assistant. The department has funds to hire ten or eleven teaching assistants. Because it offers only the master's degree, the department cannot easily recruit qualified graduate assistants. It is anticipated that offering the doctoral program will make it possible to recruit specifically qualified students. Currently budgeted funds would be more effectively used, both to support graduate students and to enhance teaching in the undergraduate program of the department. Offering a quality graduate program will improve the tone of the total department without additional state funding and very likely with the bonus of outside funding from external sources.

On the point made by the Board Office that the program could be a "first step in the major expansion of doctoral programs in Humanities at Iowa State University," Dean Russell indicated there are no existing plans for other such recommendations and none to widen the range of this doctoral degree in history.

In regard to the argument that a doctoral program should not be recommended in this time of restricted financing, Dean Russell said he believed the Regent institutions should do all they can with the limited resources they have. These assets should be actively invested as imaginatively and productively as possible. Dean Russell said that in this time of fiscal stringency, the university is making every effort to maintain the quality of its programs and to retain the dedication and the spirit of creativity that make for institutional excellence. Iowa State University has the capacity to carry out this program plus the will and the mission to do it well. He said the best hope for the future is to demonstrate to the citizens of Iowa that the university is making the very best use of the resources it has.

Mr. Barak said the above comments were helpful and that information was provided that the Board Office did not previously have. He noted that the purpose of the Board Office review is to provide a third level of review to complement the other reviews at the institutional and inter-institutional levels. He said he hoped these were all helpful to the board. He noted that all of the reviews are provided to the board as important input to its decision making.

In regard to the Board Office recommendation concerning the university's mission statement, Mr. Barak said the mission statements provide an important parameter setting forth the scope of each of the Regent institutions. The Iowa State University mission statement is somewhat vague in this area, leading to various interpretations. The Board Office interpretation was purposely narrow because it felt that the decision to offer programs in this area should be a conscious decision of the board. The proposed program offers a new milestone in terms of offering a Ph.D. level course in the humanities area at Iowa State University. It represents a first step in History, even though it is supported by other academic areas of the university.

The issue of potential unnecessary duplication was raised not in terms of the proposed program per se but in the sense that the proposed program could be the first of a number of doctoral programs in the humanities and these could very well raise questions of "unnecessary duplication" in the future. The board needs to be aware of this possibility and express any feelings it may have one way or the other early on.

Mr. Barak said that with respect to resources, the statement by the university that the teaching of new courses will be on an overload basis by existing faculty raises the question of whether someone, possibly undergraduates, is going to be shortchanged by adding this new program.

Noting that Dean Russell had indicated that four faculty members, rather than three, would be involved, Mr. Barak said the teaching would still be done on an overload basis and would increase the burden of the faculty.

Mr. Richey said that, based on the statements made by the representatives of Iowa State University, the program was not being perceived as a broadening of the mission of the university or an entree into broadening Ph.D. level programs. He noted that if that was not an issue, the only issue left is a financial one. He noted that the ICEC recommendation was made with the understanding that the Ph.D. degree be offered only in the history of science and technology and not in other areas of the History Department.

President Parks indicated that he didn't think there was anything wrong with the mission statement. It is more a matter of substance than it is of statutory law. President Petersen noted that there was no indication in the long-range planning seminar that there were other such programs being planned. President Parks agreed that no other areas in the Department of History were considering this kind of program.

Dr. Scofield indicated that this kind of a program is possible to carry out because he has done it. He said the term "overload" has an express meaning. It means the number of contact course hours listed in the university catalogue and does not mean the total of work that is done. In a small program, this does not constitute a heavy addition to the labors of faculty members.

Faculty members teach a certain number of contact hours. It is part of their standard responsibility for faculty members to add the teaching of graduate students to their activities. He said the overload in this program is a signal to the faculty that the institution recognizes undergraduate loads will continue and graduate student loads will be added. Dr. Scofield said this is what faculty members are supposed to do as professionals - they are supposed to teach graduate students as well as undergraduate students.

Dr. Scofield said the master's degree in the history of science and technology is not enough as an entry level degree. It will not be possible to get good graduate students to teach until there is a Ph.D. program.

Regent Harris indicated that he felt all of the critical questions had been answered.

MOTION:

Dr. Harris moved that the board approve the Ph.D. program in History of Technology and Science at Iowa State University with the understanding and provision that the university may delay implementation if it deems it advisable because of budgetary conditions. The motion died for lack of a second.

Regent Bailey expressed concern with limiting the discussion to fiscal matters. He felt there was a problem of balance. He noted that historically he has taken the position that too many programs are the result of a professor or graduate student doing research on a subject which then becomes an area of expertise for an individual or a department. He felt this results in the initiation of programs in those specific areas of knowledge or discipline regardless of whether society needs the program or there are students desirous of taking the program.

Regent Bailey said that when funds are available, there might be a place for this procedure. He questioned, in the light of present financial conditions, what demand there is from students for this particular degree and what demand there is from society for these students as they complete the degree.

Dr. Lowitt explained that the number of students will be phased in slowly over a period of years. There is presently an M.A. program in existence and candidates from this program are waiting to enter a Ph.D. program. The program would involve about twelve to fifteen students. He said students completing the Ph.D. program in the History of Technology and Science would be able to teach a basic survey history course, a basic course in history and technology, and an advanced course because of their participation in the teaching assistant program. The department is hard pressed to teach the undergraduate survey courses with the teaching assistants it now has.

Dr. Lowitt said concerns about science and technology are basic motivating forces which change in society daily. More and more people are concerned and there is growing interest. Government agencies and corporations are concerned about the impact of science and technology.

Dr. Lowitt said this Ph.D. program in the History of Technology and Science would be a small program and would not turn out a large number of students. The department is not concerned about being able to place them when they complete the program. He noted that there are very few similar programs in the rest of North America.

Dr. Lowitt said the Department of History at Iowa State University has the potential and capability of offering the Ph.D. program and that it has the resources needed to do it.

Regent Bailey explained that he had no apprehensions about the institution's ability to offer the Ph.D. program, but that he had grave reservations about the priorities involved at this point in time. He said the program would require money and was uncertain about the propriety of reallocating the amount from other areas of need in the university.

He also noted that the board must treat all of the Regent institutions equally and give them the same type of consideration. He noted that when the University of Northern Iowa proposed the initiation of an Ed.D. degree, the board took the position that that program should not be started because of the present financial condition. Regent Bailey thought there is a greater need for top notch administrators in the area of education than for Ph.D.s in the area of the history of science and technology.

Regent Bailey said that in his judgment that at such time as the board approves the Ed.D. would be the time it should consider the Ph.D. in the History of Technology and Science from the standpoint of faculty availability and funds availability.

President Parks responded that the proposed program would not require new resources. He also questioned that more superintendents are needed than those trained in the history of science and technology. He pointed out that he did not oppose the Ed.D. program at the University of Northern Iowa and said he thought the board should consider each case on its own merit. He saw nothing in common between the two programs.

President Parks said there is a need for people trained to evaluate the impact of technology on society.

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President Kamerick said that when he was trained as a historian, there were no courses or training in the field of the history of science and technology. He said the proposed program was an illustration that the field has undergone great development since World War II and since 1960. The field has spread rapidly throughout the western world and changed many concepts of development. It contributes to the understanding of how society got to be whatever it is at the present time. President Kamerick said this is a remarkable field of history which has contributed to spreading society's awareness and that Iowa State University should be commended for introducing the program. He hoped that the degree could be introduced soon.

President Boyd said he recognized that there is great need for educational administrators. There is also a need to have strong basic disciplines in the school which include history. He said it is not possible for society to understand where it is going unless it understands where it has been. He felt this area could not be more important.

Vice President Christensen noted that in the past decade, Iowa State University has grown by a third. Only twice during that time has the university received additional funds. He said reallocation is a way of life and that is the only way the university can operate. He thought the university has a record of being able to do this.

Regent Wenstrand indicated that he liked the proposed program and that he thought it an appropriate program for Iowa State University to offer. He said that he understood the humanities element. He noted that he was not totally convinced with the answers to the questions about resources, but that he was convinced enough to second Dr. Harris' motion to approve the program.

MOTION: Dr. Harris moved that the board approve the Ph.D. program in History of Technology and Science at Iowa State University. Mr. Wenstrand seconded the motion.

In response to remarks by President Parks, Regent Bailey agreed that the Ph.D. in the History of Technology and Science and the Ed.D. are different degrees. He again stated that the board must treat the institutions equally and said that substantially the same arguments are made for every program that is presented to the board. He said that in his judgment, at this time of fiscal restraint, the board must especially be concerned that programs are of a high priority as well as serving a useful purpose.

Regent Brownlee said he was sure the proposed program would be one of the finest at Iowa State University and that it falls within the mission of the university. He said the question of what additional resources would have to be allocated was beside the point. Regent Brownlee said the board has a mission too and that the responsibility of the board now is the number one concern of all three universities, which is salaries.

Regent Brownlee noted that the presentation of this proposal was unfortunately timed and said it was unfair to such a fine program to deny it because of other concerns. He said it is also unfair to all of the universities to continue underfunding the institutional staff. For that reason, he asked that the proposed program be deferred. He said the board and institutions should be embarked on a crusade to get fiscal support and maintain the quality of the institutions. Unfortunately, he said, this means he must oppose any program until the grievous problems of supporting the institutional faculty are addressed. He sincerely hoped that the program could be deferred and brought back to the board at some future date.

President Parks agreed that faculty morale is suffering from lack of salary support but said he thought faculty morale is composed of more than just financial remuneration. He said to maintain the status quo could be almost as injurious, if not more so, to the faculty in their future expectations. President Parks said it is a time to watch how money is spent and to get the maximum value for each dollar spent. He said it is not a time to deny good programs which can be adopted for which the university has been carefully building and for which the time has come.

President Boyd said the institutions must remain vital and use money as efficiently as possible.

Regent Brownlee said he did not mean that the university couldn't offer courses. He meant that new doctoral programs would be treated as a symbol by those to whom the board must make its pleas for more adequate funding for the institutions. He said this is unfair but not as unfair as what is being done to faculty and students by underfunding institutions.

Regent Harris said that quality is economy and that this motto could apply to the proposed program.

Regent Bailey suggested that the board defer approving the program with the hope and expectation that in the very near future the fiscal situation would be changed so that the board would feel it could approve the program.

SUBSTITUTE MOTION:

Mr. Bailey moved that the board defer approval of the Ph.D. program in History of Technology and Science at Iowa State University and that the university be invited to return the program for reconsideration within a year with the understanding that the Ph.D. would be only offered in the History of Technology and Science and not in other areas of History in the Department. Mr. Brownlee seconded the motion.

Regent Jorgensen indicated that her concerns centered on financial resources. She noted that the university had answered but still had some concerns. However, she did not feel that everything should be judged on an economic basis and said if the university could reallocate resources within the university, she would find this agreeable.

VOTE ON SUBSTITUTE MOTION: Upon a roll call, the following voted:
AYE: Bailey, Brownlee, Shaw
NAY: Harris, Jorgensen, Neu, Wenstrand
ABSENT: None
The motion failed.

VOTE ON ORIGINAL MOTION: The motion passed with Mr. Bailey, Mr. Brownlee, and Mr. Shaw opposed.

President Petersen asked that the university report back to the board on whether or not it decides to offer the program.

c. Bachelor of Arts in Therapeutic Recreation at the University of Northern Iowa. It was recommended that the board approve the degree of Bachelor of Arts in Therapeutic Recreation at the University of Northern Iowa.

The Board Office noted that this item had been referred to the ICEC and Board Office for review and recommendation. The university satisfactorily answered the questions raised by the ICEC and the ICEC recommended the program for approval. The Board Office concurred in this recommendation.

President Petersen noted that this program had been discussed by the Iowa Coordinating Council and that a report on it was accepted by the council.

MOTION: Dr. Harris moved that the board approve the degree of Bachelor of Arts in Therapeutic Recreation at the University of Northern Iowa. Mr. Neu seconded the motion and it passed unanimously.

d. Bachelor of Fines Arts at Iowa State University. It was recommended that the board approve the proposed Bachelor of Fine Arts degree at Iowa State University.

The Board Office noted that this program had been referred to the ICEC and Board Office for review and recommendation. Last month the Board Office recommended deferral of the proposed program pending responses to several questions.

The Board Office indicated that, after reviewing the additional material provided by the university, the board approve the proposed program. The ICEC also recommended approval of the program.

President Petersen noted that this degree proposal was also discussed by the Iowa Coordinating Council.

Regent Bailey asked if the cost factor for the program had been considered. Vice President Christensen said the degree itself would not have any costs.

MOTION: Mr. Bailey moved that the board approve the Bachelor of Fine Arts degree at Iowa State University. Mr. Shaw seconded the motion.

Regent Jorgensen expressed concerns about duplication of programs and said there appeared to be more duplication in this case than in some others. She noted there is a fine arts program at one of the other universities. She added that she understood the difference between the two programs but that she did want to express this concern.

VOTE ON MOTION: The motion passed unanimously.

e. Name Change in the College of Education at the University of Iowa.
The university requested that the name of Division of Postsecondary and Continuing Education be changed to Division of Foundations, Postsecondary and Continuing Education. The Board Office recommended that this change be approved.

In August the board referred this matter to the ICEC and Board Office for review and recommendation. The Board Office raised a question concerning new programmatic thrusts which may evolve from this merger and change in departmental name. A statement by the university indicated there there was a possibility for the development of a program and policy study in education, including a special emphasis on international policy studies and comparative education. Since this new programmatic possibility was not indicated anywhere in the College of Education's academic long-range plans, the Board Office felt it was necessary to give special attention to this aspect of the proposal.

Vice President Brodbeck responded in a memo that "It is true that the combined faculty hope to be able to capitalize on the interaction this consolidation would foster, especially in two existing areas of faculty interest - namely; comparative education and policy studies. Hopefully, this will generate expanded areas of research and the possibility for

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increased grant opportunities." Vice President Brodbeck also indicated no additional funds would be requested or needed. The Board Office said it appears that some economies may even be generated as a result of this merger.

The ICEC and Board Office recommended that the programmatic change be approved.

Regent Bailey asked why the word postsecondary should be included in the title since the program is offered at the university level. Vice President Brodbeck explained that the people enrolled in this program are interested in becoming administrators and in the philosophies and problems of postsecondary education. The word is used to describe the subject matter of the program.

Regent Bailey noted that the possibility of development of a program in international policies and comparative studies was mentioned and asked if there was a need for such courses? He was concerned about developing courses just because the university has the potential and expertise to provide them.

Vice President Brodbeck explained that the merger would be made up of faculty who are already there. The university believes that by being in one unit it will be possible to combine some of the resources. New courses will not be introduced unless there is a demand for them. She noted that the merger does not require anything new and that social foundations have always been a concern of postsecondary education.

President Petersen noted that there is a possibility in this merger for the renewal and vitality that is essential for the future. She noted that the changes in nuance or program would be built upon what is already present in the program. Vice President Brodbeck said this was correct.

MOTION:

Mr. Wenstrand moved that the board approve the change in name of Division of Postsecondary and Continuing Education to Division of Foundations, Postsecondary and Continuing Education in the College of Education at the University of Iowa. Mr. Brownlee seconded the motion and it passed unanimously.

f. Post Audit Reports. (1) Bachelor of Fine Arts in Music Theatre at the University of Northern Iowa. It was recommended that the Board accept the post-audit report and approve the continuance of the Bachelor of Fine Arts with a major in Music Theatre at the University of Northern Iowa, with the request that the university report back in two years regarding questions contained in item three of the Regent review procedures.

In August the board referred this matter to the ICEC and Board Office for review. The ICEC recommended the post-audit report be accepted.

The Board Office noted that this program was approved in 1976 as an interdisciplinary program. Enrollments of majors have been lower than projected but have demonstrated program growth.

The university reported that the first graduates of the program are expected during the 1980-81 year. Therefore, it was unable to respond to questions in Section 3 of the post-audit review procedures regarding placement and graduate study. For this reason it was recommended that the university be asked to report on these questions in two years.

The Board Office noted that the university reported no added cost for the program for 1978-79 and 1979-80. It estimated it would need \$18,000 for a faculty member and a graduate assistant in 1980-81. The university also hopes to appoint an additional technical director/designer.

The university indicated that the accreditation agency in music, the National Association of Schools of Music, does not yet have standards for the evaluation of programs in music theater, but it has requested that this program be submitted for review in November 1980.

The Board Office said although enrollments are lower than projected and costs are somewhat higher, the program appears to provide a valuable interdisciplinary component, building on existing efforts. It recommended acceptance of the report and approval of continuance, with a request for responses to question three in two years.

MOTION:

Mr. Bailey moved that the board accept the post-audit report and approve the continuance of the Bachelor of Fine Arts with a Major in Music Theatre at the University of Northern Iowa, with the request that the university report back in two years (Fall 1982) regarding the questions contained in item three of the Regent review procedures. Mr. Wenstrand seconded the motion and it passed unanimously.

(2) Master in Music at the University of Northern Iowa. It was recommended that the board accept the post-audit report and approve the continuance of the Master of Music degree with Majors in Composition, Music History, and Performance at the University of Northern Iowa.

The Board Office noted that this program was approved in 1976. The university reported enrollments approximately one-half of those projected. A continued enrollment of ten graduate majors was projected through 1982-83 (compared to 20 to 22 predicted in 1976).

A total of seven students have graduated and it was reported that the first four have been employed in the field or a related field, with two of these securing their preferred first job. The employment status of the three most recent graduates was unknown at the time the post-audit report was prepared.

The university indicated that questions on staffing and costs could not be answered specifically, as the Master of Music Programs rely on the same faculty and other resources as do other music programs. It indicated no additional faculty personnel are required for the next three years, although graduate assistantships are needed. The program proposal had indicated that no new faculty or other resources would be needed.

The university reported that the Composition and Performance Majors are fully accredited by the National Association of Schools of Music. Plan approval has been granted for the Music History Major, but full approval can be considered only after two students have graduated.

The Board Office recommended acceptance of the post-audit report and approval of continuation of the program.

MOTION:

Mr. Bailey moved that the board accept the post-audit report and approve the continuance of the Master of Music degree with Majors in Composition, Music History, and Performance at the University of Northern Iowa.

Mrs. Jorgensen seconded the motion and it passed unanimously.

(3) Computer Engineering at Iowa State University. It was recommended that the board accept the post-audit report on the Computer Engineering Program at Iowa State University and approve continuation of the program.

In August the board referred the post-audit report on this program to the ICEC and Board Office for review. The ICEC recommended approval of the report.

The Board Office noted that the undergraduate degree program seems to have demonstrated considerable strength. Enrollment headcounts for majors have substantially exceeded the university's project. The university did not indicate whether significant numbers of students transferred from electrical engineering or computer science to the new computer engineering program, but the Board Office said the transfers, if any, seemed not to have drastically affected the size of previously existing programs.

The university indicated that all graduates who sought employment accepted positions in the field. It was indicated that there were 15 graduates in 1978-79 and 29 in 1979-80. HEGIS reports showed 4 in 1977-78 and 12 in 1978-79.

The Board Office noted that the financial information submitted with the post-audit did not indicate whether new staff members have been added since 1976. Since the budget was given as a total for computer engineering and electrical engineering, it did not permit comparison with the proposal for the program. If expenditures are related to enrollment, computer engineering will have spent significantly more than the \$8,000 proposed for 1978-79. It is obvious that larger than anticipated enrollments may have required increased expenditures; however, the data did not permit detailed analysis. It was indicated that additional funds will be required for equipment, and that construction for additional space is being planned.

The Engineering Council for Professional Development accredited the program in August 1979. The council commented on the need for additional space, capital equipment monies, and increased technician assistance.

The Board Office recommended that the report be accepted and that continuation of the program be approved.

MOTION: Mr. Wenstrand moved that the board accept the post-audit report on the Computer Engineering Program at Iowa State University and approve continuation of the program. Mr. Bailey seconded the motion and it passed unanimously.

(f) Nuclear Engineering at Iowa State University. It was recommended that the board accept the post-audit report on the Nuclear Engineering Program at Iowa State University and approve continuation of the program.

In August the board referred the post-audit report on this program to the ICEC and Board Office for review. The ICEC recommended the report for approval.

The Board Office noted that the program enrollments have been less than projected but have demonstrated growth.

There were two B.S. graduates in 1978-79. The university reported large numbers of job offers to its graduates but did not specifically indicate success in obtaining a preferred first job. The university also reported that graduates who took the Engineer-in-Training Examination have successfully passed.

A portion of a faculty position (\$9,000) was added during the period 1978-80. Equipment costs of \$55,000, not indicated in the proposal, were for equipment shared by undergraduate and graduate programs. The university

anticipates adding a faculty position in 1982-83, a graduate assistant in 1981-82, and additional remodeling in 1980-81.

The program was accredited by the Engineering Council for Professional Development in 1979 with a report indicating that the facilities in nuclear engineering were adequate for present needs and reasonable future growth. The report also commented on budgetary needs for equipment and maintenance.

The Board Office recommended acceptance of the post-audit report and approval of the continuation of the program.

MOTION: Mr. Bailey moved that the board accept the post-audit report on the Nuclear Engineering Program at Iowa State University and approve continuation of the program. Mr. Wenstrand seconded the motion and it passed unanimously.

(f) Pest Management at Iowa State University. It was recommended that the post-audit review of Pest Management Curriculum at Iowa State University be referred to the ICEC and Board Office for review and recommendation.

MOTION: Mr. Wenstrand moved that the board refer the post-audit review of Pest Management Curriculum at Iowa State University to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Mr. Bailey seconded the motion and it passed unanimously.

f. Revisions to Post-Audit Policy. It was recommended that the board approve recommended changes to the period of post-audit for new academic programs from four years to five years and to adopt a standard statement for inclusion in all final action docket memorandums for new programs that encourages the departments and institutions to begin accumulating data so the Regent post-audit questions can be fully responded to.

The Board Office noted that the first year of post-audits on newly proposed academic programs was just completed. It said the process was a successful one, with one exception. This exception involves the responses to the Regent post-audit questions. The Board Office believed this problem existed because there is insufficient time between the approval of a program by the Board of Regents and the post-audit reports and that answers to certain Regent questions cannot be provided by the institutions since the data had not been accumulated.

With respect to the first problem, the Board Office pointed out that current board policy stipulates that programs will be reviewed after four years. Programs submitted during the past year have frequently not yielded any graduates within the four-year period. Extending the period between approval and post-audit to five years would allow the institutions to respond more adequately to the Regent questions concerning graduates.

On the second problem, the Board Office noted it is a little hard to request that information be provided after the fact, especially when the universities have not been collecting it. Consequently, it said, a statement should be included in all final approvals by the Regents for new programs which would indicate that the university and unit involved should begin to accumulate data so that the response to the Regent questions is more adequate.

The Board Office said these concerns were discussed with the ICEC and the committee jointly recommended the following changes.

1. Change the number of years following approval of a program that the post-audit report will be required from four (4) years to five (5) years.
2. Adopt the following statement for inclusion with final recommendations of approval by the Regents of new programs:

The university is reinded that a post-audit report will be due on this program on / date /. It is requested that the university set in p lace mechanisms for accumulating the appropriate information necessary to complete the Regents post-audit review questions, so that each question can be fully responded to on this date.

Approval of this policy will result in the post-audit reviews scheduled for 1980-81 being postponed until 1981-82.

President Petersen noted that the changed policy would allow sufficient time for a meaningful report to be prepared and to alert the institutions so the needed information will be available when the post-audit reports are prepared.

Regent Bailey asked the institutions if they thought the revised policy would create an unjust burden in regard to keeping information. Both Vice President Martin and Vice President Moore responded this would not create an unjust burden.

Since the post-audit reports were requested by the board, President Petersen asked board members if there were items they would like to have included or excluded from the reports to make them more meaningful. She noted that she found them very concise and helpful. No suggestions were made about changing the content of the reports.

MOTION:

Mrs. Jorgensen moved that the board approve the changes listed above to change the period of post-audit for new academic programs from four years to five years and to adopt a standard statement for inclusion in all final action docket memorandums for new programs that encourages the departments and institutions to begin accumulating data so that the Regent post-audit questions can be fully responded to. Mr. Bailey seconded the motion and it passed unanimously.

h. Report of Registrars' Committee. It was recommended that the board accept the annual report of the Registrars' Committee on Coordination.

The Board Office noted that in the Registrars' Annual Reports, revisions in the admission requirements common to the three state universities were recommended by the admissions officers and approved by the Registrars' Committee and the Regents Committee on Educational Relations. The proposed revisions were presented to the Board of Regents for consideration.

The committee has also reviewed residency requirements and specific appeals were discussed during the year. Proposals for revision in the residency rules will be presented to the board at a future meeting.

The Registrars' Committee reviewed practices for enrollment reporting and agreed, as in prior years, that off-campus registration would not be included in the fall enrollment reports. Since off-campus registrations may not be available at the time of the fall enrollment report, they will be provided as a separate item.

The committee reported on a survey to verify the authenticity of transcripts, indicating that no major discrepancies have been noted to date.

The Board Office said the committee should be congratulated for its work.

Regent Shaw referred to a comment by the committee which said:

The merits of requiring rather than recommending completion of specific courses prior to admission was discussed at several meetings. Concern was expressed that students planning on continuing their education were not taking a rigorous program in high school. No specific recommendations for change weremade from our current recommended requirements.

Regent Shaw said it was sad to see this comment but did not know if there was anything the board could or should do about the problem. He noted that faculty members have commented on this problem in the past. He also noted that if students come to the institutions unprepared, the institutions cannot teach at the level they otherwise would. He said this reflects on the institutions.

President Kamerick pointed out that a writing competency test has been introduced at the University of Northern Iowa. He said there are three students at the institution who have completed all of their requirements but can't pass the writing competency test. He said there has been a general drop in college scores throughout the whole country and that this is a problem of society.

Regent Jorgensen indicated that this is one of her concerns. She said in high school students take easy courses because they are not required to take certain courses. She suggested that perhaps there should be higher requirements in the high schools.

President Petersen concluded that the board has stated that the institutions have a serious concern about this problem and that this is a significant statement.

Mr. Richey said the board might ask the Registrars' Committee to prepare a report on this subject over the next year so that when the next annual report is presented, there could be further discussion of the problem.

Regent Shaw noted that a few years ago there was an issue about students wanting to take 17-18 hours. He asked if a student takes 20 hours if that student is counted as more than one FTE. He noted that this would be a little bit of an offset.

Regent Bailey expressed some reservations about this. He noted that the board had been discussing that programs in the kindergarten grades on up were not as demanding as they used to be, and said that by agreeing to a lower divisor for the FTE, the board would be condoning that. It would be indicating it did not think students need to take a full schedule of courses.

Regent Harris referred to the statement in the committee report which said:

During 1978-79 the Registrars' Committee on Coordination proposed that the Regents' universities change the divisor for calculating undergraduate FTE /full-time equivalent/ for the semester from 15.5 to 15. This was approved on each campus but did not receive Board Office support. The Board Office requested that they study the proposal with the Registrars' Committee during 1979-80.

Dr. Harris asked the Board Office to explain its resistance to this proposal. Mr. Richey said the proposal would increase the count and FTE. He said the Board Office was concerned because no institution required 120 hours for a four-year degree. Mr. Richey said this has both academic and budget implications. The Board Office is concerned about the politics and public relations in terms of changing counts in enrollments or anything that would destroy the credibility of the counting of students. Vice President Christensen indicated that this proposal was not a major item of the Interinstitutional Committee.

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MOTION: Mr. Bailey moved that the board accept the Annual Report of the Registrars' Committee on Coordination for 1979-80.

Regent Jorgensen said she thought Mr. Richey's suggestion for a report by the committee on secondary preparation was a good one. She suggested the Registrars' Committee and the ICEC could make a joint report. Mr. Richey added that there should be some consultation with secondary school representatives.

VOTE ON MOTION: The motion passed unanimously.

President Petersen said the board appreciated the work of the Registrars' Committee.

TUITION POLICIES AND RATES, PRELIMINARY, FOR 1981-83. It was recommended that the board approve the tuition rates as proposed below for the 1981-83 biennium, effective July 1, 1981.

	1979-81		1981-83	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
UNIVERSITY OF IOWA				
Undergraduate	\$ 830	\$1,890	\$ 950	\$2,350
Graduate	950	2,000	1,080	2,486
Medical	1,460	3,284	2,670	4,800
Dental	1,250	2,760	2,000	4,300
Law	950	2,094	1,080	2,486
IOWA STATE UNIVERSITY				
Undergraduate	816	1,881	950	2,350
Graduate	951	2,001	1,080	2,486
Veterinary Medicine	1,248	2,643	2,000	4,100
UNIVERSITY OF NOTHERN IOWA				
Undergraduate	774	1,460	900	1,860
Graduate	818	1,680	950	2,086

It was further recommended that the board approve the distribution of the fee portion of the rates as shown on the following pages.

The University of Iowa

ALLOCATION OF STUDENT ACTIVITY AND BUILDING FEES

	<u>Per Semester</u>		<u>% Increase</u>
	<u>1980-81</u>	<u>1981-82</u>	
<u>Student Activities</u>			
SPI Board, Inc.	2.50		
Lecture Committee	.30		
Recreation Svcs.	.50		
UICAC	2.82		
UISAS	2.83		
UISA Office	.07		
Contingency	.06		
Yearbook	.25		
	<u>9.33</u>	<u>10.54</u>	13%
<u>Student Services</u>			
Cambus/Bionic Bus	4.54	7.13	
Student Health	----	4.00	
	<u>4.54</u>	<u>11.13</u>	
<u>Building Fees</u>			
Recreation Building	3.50	3.50	0%
Hancher Auditorium	8.00	8.00	0%
Arena/Rec. Project	10.64	12.86	21%
	<u>22.14</u>	<u>24.36</u>	10%
Total Fees-Semester	36.01	46.03	27%

Summer Session

<u>Student Activities</u>			
SPI Board	1.00		
UISA Office	.33		
Contingency	.13		
	<u>1.46</u>	<u>1.65</u>	13%
<u>Student Services</u>			
Cambus	.25	1.33	
Student Health	--	2.00	
	<u>.25</u>	<u>3.33</u>	

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	<u>1980-81</u>	<u>1981-82</u>	<u>% Increase</u>
<u>Building Fees</u>			
Hancher Auditorium	5.00	5.00	
Arena/Rec. Project.	<u>4.96</u>	<u>5.96</u>	
	9.96	10.96	
Total Fees-Summer	11.67	15.94	

Iowa State University
Special Student Fees

	<u>1980-81 Annual Fee¹</u>	<u>Proposed Increase</u>	<u>Proposed 1981-83 Annual Fee</u>
Undergraduate Resident Tuition	\$ 816.00	\$ 134.00	\$ 950.00
Special Student Fees			
Debt Service			
Memorial Union	6.00	0	6.00
Hilton Coliseum	21.00	0	21.00
	<u>\$ 27.00</u>		<u>\$ 27.00</u>
Special Purpose Fees			
Memorial Union Operation ²	21.00	3.00	24.00
Intercollegiate Athletics ³	19.50	0	19.50
	<u>\$ 40.50</u>	<u>\$ 3.00</u>	<u>\$ 43.50</u>
Iowa State Center	-0-	14.00	14.00
Student Activities			
Recreation	3.90	2.10	6.00
GSB	21.60	3.40	25.00
	<u>\$ 25.50</u>	<u>\$ 5.50</u>	<u>\$ 31.00</u>
Bus Service		10.00	10.00
Total Special Student Fees	<u>\$ 93.00</u>	<u>\$ 32.50</u>	<u>\$ 125.50</u>
Portion of Fee to General Fund	\$ 723.00	\$ 101.50	\$ 824.50

¹ Mandatory fee paid by all undergraduate and graduate students.

² Last increased in Fall of 1977.

³ Based upon \$9.75 allocated to men's and women's intercollegiate athletic budgets - merged into single program July 1, 1979.

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UNIVERSITY OF NORTHERN IOWA
Proposed Student Fee Allocation
1981-83

\$90 Activity Fee

Student Union	\$10.50	\$13.00	\$ 2.50
Field House	25.00	25.00	
Unspecified Building Fund Reserve	9.00	10.00	1.00
	<u>\$44.50</u>	<u>\$48.00</u>	<u>\$ 3.50</u>
Student Activity			
Athletics	\$ 9.50	\$21.00	\$11.50
Activities	10.00	12.00	2.00
Fine Arts/Cultural Activities		7.00	7.00
Health Fees		2.00	2.00
	<u>\$19.50</u>	<u>\$42.00</u>	<u>\$22.50</u>
	<u>\$64.00</u>	<u>\$90.00</u>	<u>\$26.00</u>

The Board Office noted that the proposed tuition rates were developed on the basis of the board's "Principles and Guidelines for Establishing Tuition Rates at Regent Institutions." In that statement of "Principles," the board asserted that authority to set tuition rates 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 carrying out the last principle, the board has indicated that tuition should be set for the biennium and that it should be set for at least six months to one year before it goes into effect. Further, in setting tuition rates, the board indicated in this statement 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 relationship of 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 Board Office indicated it had undertaken a study prior to the beginning of the next biennial period to determine whether tuition rates are sufficient at their present levels or whether they should be raised. The Board Office proposed that resident undergraduate tuition rates need to be raised approximately 14 to 16 percent. The Board Office noted that it shared these tuition proposals with the institutions, and that the institutions, in turn, carried on considerable discussion with appropriate student representatives as directed by the Board of Regents.

The Board Office said that comparisons of Regents tuition levels were made with other state and national tuition levels. The 1980-81 undergraduate tuition rates at the three Regent universities were below the averages reported by the National Center for Education Statistics for public universities, but above those for other four-year public institutions.

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By comparison, 1980-81 tuition and fees at 29 private colleges in Iowa average \$3,463, an increase of 13% over 1979-80. The national average for undergraduate tuition and fees at four-year private institutions was projected by the College Scholarship Services as \$3,279 for 1980-81.

The Board Office said additional comparison was made to tuition and fees with comparable institutions in an eleven-state area. Current (1980-81) tuition and fee levels for undergraduates rank eighth (out of eleven) for the University of Iowa and Iowa State University and tenth or eleventh (out of twelve) for the University of Northern Iowa. For graduates, the University of Iowa and Iowa State University rank sixth or seventh and the University of Northern Iowa ranks eighth or tenth. University of Iowa medical tuition and fees rank tenth out of eleven; dental, seventh out of seven; law, eighth or ninth out of eleven. Iowa State University veterinary medical tuition and fees rank fifth or sixth out of seven.

As noted in the memorandum "Economic Conditions Impacting the 1981-83 Budget Request" presented to the board last month, it would seem risky to predict an inflation rate appreciably below 10% for the 1981-83 biennium. When the board set the present tuition rates, the general assumption was made that inflation would be approximately 10%, which almost exactly matched the general inflation in consumer prices. As noted in last month's memo, the percentage of annual increase in the Consumer Price Index is estimated at approximately 13.2%.

The Board Office said that if the cost of instruction alone is considered and that portion of that cost borne by students, it appears that tuition rates of the recent past and present are not allowing the institutions to maintain a constance balance between share of costs borne by students and those borne by other sources, primarily state appropriations. The percentage of general education expense borne by tuition has declined from 22.1% in 1974-75 to 18.5% in 1979-80 at the University of Iowa; from 25.9% in 1974-75 to 23.6% in 1979-80 at Iowa State University; and 23.0% in 1974-75 to 19.5% in 1979-80 at the University of Northern Iowa. The proposed rates for undergraduates would provide 24% to 27% of expected unit costs in 1981-82 for residents and about 67% to 72% of costs for nonresidents.

The proposed tuition rates would yield increased revenues to the general fund of approxiately \$8,014,000 in each year of the biennium over receipts which would be anticipated were the tuitions to remain unchanged.

The proposed increase will provide the income equivalent of more than annual increases per year of 10%. This is approximately the equivalent to what is anticipated to be the board's budget. These increases take into account reduction of tuition income due to transfers to areas such as debt service and student activities at the three universities. Extraordinary increases for health education students are shown as reductions in the proposed expenditures for those programs in the Essential Needs category.

The Board Office reported on the special fee rates and allocations at each of the universities. The proposed undergraduate, resident rates for total fees and tuitions represented increases of \$120 for the University of Iowa, \$134 at Iowa State University, and \$126 at the University of Northern Iowa. About \$100 of the increase per student was allocated to general fees while the remainder was for special purposes, including, among others, student activities and debt service for buildings.

University of Iowa. The proposed increase in special fees was \$20.04 per year or 27%. The increase in student activity fees was 13% (\$2.42) or about the same percentage as the proposed growth in general fund fees. Building fees would be raised a net of 10%, or \$4.44, for the Arena/Recreation project. An increase of \$5.18 was proposed to eliminate deficits in the budgets of Campus/Bionic Bus. A fee of \$8.00 per year was proposed to help finance student health services.

Iowa State University. Special student fees would be raised to \$125.50 annually. This proposed increase of \$32.50 or, 34.9%, would provide funds for several badly needed campus services. The operation of the Memorial Union would receive an increase of \$3.00. Student activities would increase by \$5.50 or 21.5%. Ten dollars (\$10) would be set aside for the operation of a campus transportation system and \$14.00 per student would be earmarked for operation by the Iowa State Center by the university administration.

University of Northern Iowa. Special fees would be increased to \$90.00 from \$64.00. The proposed increase of \$24.00, or 40%, would go to several activities. The athletic fee would be increased by \$11.50 for women's athletics. A new fee of \$7.00 for fine arts/cultural activities would be levied. A health fee of \$2.00 would be provided to augment support of the student health program. Increases of \$3.50 for building fees were proposed for reserve purposes. The amount of \$2.50 was proposed for the Student Union Building to build a reserve to offset possible losses of revenue because of decreases in enrollments. The unspecified building reserve fund would receive an increase of \$1.00 for a total of \$10.00.

The Board Office summarized that the proposed increases in tuition and fees include substantial recognition of needs of the student governments, needs for special university programs, and increases in support for existing programs such as student health, transportation, and athletics.

The Board Office noted that increases in the tuition rates require commensurate growth in student aid financed from the general fund at present rates if accessibility of the institutions to students is to be maintained. The proposed growth budget of the institutions for student aid in FY 1980-81 and FY 1981-82 is listed below. These rates are consistent with the rates of increase for undergraduate tuition.

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<u>Institution</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>% Increase</u>
University of Iowa	3,737,803	561,000	15
Iowa State University	2,567,612	437,000	17
University of Northern Iowa	<u>1,213,630</u>	<u>147,000</u>	12.1
Total	7,519,045	1,145,000	

No provision was made yet for health science student aid required because of the extraordinary increases proposed.

The Board Office said these recommendations were made with the board's policy of moderate to low tuition in mind. They are proposed to be in effect for two years (the 1981-83 biennium) to give some stability to this portion of the costs of attending college. The board will be fixing the rates about nine months before the time they go into effect so students will have time to plan and prepare for them. Student activities financed from fees and tuitions were recognized and the need for increased student aid was provided.

The Board Office said the fact that the rates the board has adopted are at or below the median of comparable institutions in the Midwest indicates the board's recognition of the problems of parents and student in providing for their education. The proposed rates for 1981-83 will maintain those policies and concerns. The board has insisted that the educational programs offered by the institutions under its jurisdiction should be of very high quality and variety, a major benefit to students.

The proposed tuition increases were substantially higher, according to the Board Office, for the health science students. Resident medical tuitions would increase from \$1,460 to \$2,670, while nonresident medical tuitions would go to \$4,800, as compared to the current rate of \$3,284. Increases of similar magnitude were proposed by the Board Office for veterinary medicine students as well as those in dentistry. It was pointed out that the extraordinary increases were recommended in large part to provide additional funds to the universities for urgently needed improvements in health science education. The increase in resident tuitions for medical students includes \$1,000 per student that has been earmarked for allocation to the College of Medicine as an offset to the request for essential needs in that program. The comparable figure for dentistry is \$570 per student and for veterinary medicine \$572 per student. The amounts earmarked for essential needs from the increases in non-resident tuitions amount to \$1,100 per student for medicine, \$1,155 per student for dentistry, and \$1,157 for veterinary medicine students. The funds for medicine and dentistry would be utilized to help restore an appropriate number of teaching faculty to offset the faculty time that has been required for the additional patient treatment load. With respect to veterinary medicine, the additional funds would be used primarily to improve the clinical program.

President Petersen called upon the institutions to give their comments about the proposed tuition increases.

President Boyd began by stating that it is very important to bear in mind the purpose of tuition increases. He said the increases basically reflect the great concern over the financing of the institutions and they especially relate to the faculty and staff salary issue.

He said that on the University of Iowa campus the salary issue is on students' mind because they understand that the financing of education consists of legislative appropriations and tuition. Therefore, any tuition action by the board must be put together with the legislative appropriation. President Boyd said everyone in the state needs to understand what is being sought.

In the case of the University of Iowa there is an additional issue and that is the integrity and stability of the support for the Colleges of Dentistry and Medicine. He said the magnitude of the tuition proposal for these colleges is concerned with the basic issue of the stability of these colleges. He noted that this required recognition by the General Assembly as well as by students.

President Boyd made three specific comments about the proposed tuition rates.

First, President Boyd spoke about the tuition rate for nonresident graduate students. He noted that the majority of graduate students are Iowa residents. A number of nonresident graduate students come to the university without a teaching assistant or research assistant position. President Boyd said it is necessary to have these qualified people available for the institution to assign to teaching position. There is no other way the university can deal with this problem. It cannot bring the students to the campus in an assistantship capacity because it does not know what the needs for teaching assistants will be. It is imperative that the university be able to attract outstanding graduate students and President Boyd said the university was disturbed about the nonresident graduate fee differential.

Second, President Boyd turned his attention to the nonresident undergraduate student. He noted that this group of students is vital to the institution and should be viewed with the same concern with which resident students are viewed.

Third, President Boyd suggested that because of the magnitude of the increases in the Colleges of Medicine and Dentistry, that it might be possible for the board to consider 'staging' those increases over a two year period of time.

In the area of student aid, President Boyd said the university was uncomfortable with the figure attributed to it because it thought it should be more. He suggested that each of the institutions work with the Board Office to determine the appropriate aid set off. He said the aid must be available as board policy requires.

Mr. Richey explained that he put in an amount for student aid based on the general increase in tuition for each university. The budget request also includes a 9% inflationary amount. He said the combination of these two was being tentatively proposed at this time with the understanding that it is to be further reviewed and brought back to the board for final action in October.

President Kamerick said the University of Northern Iowa always hates to see tuition go up but that it understands the present situation and the need to recognize it.

President Kamerick noted that a \$2 student fee at the University of Northern Iowa was omitted from the Board Office summary. He noted that the tuition increase was about 16.3% and that student aid was roughly 12%.

President Parks said that everyone realized the purpose of the state universities to widen educational opportunities so as many people can attend them as possible and that everyone believes in keeping tuition as low as possible. He noted that this is a time of skyrocketing costs.

President Parks expressed appreciation to the Board Office and Mr. Richey for working closely with Iowa State University and with the students to arrive at the proposed figures.

The following students were present from the University of Iowa to speak about the tuition proposals: Dave Arens, representing the Collegiate Associations Council; Bruce Hagemann, Student Senate president; Dave Clark and John Christensen, representing the Iowa Student Dental Association; Ron Parton, representing the American Medical Student Association; and Sheldon Schur, a nonresident student senator.

Mr. Arens said that the students understand many of the needs of the institution. He noted that the university has fallen far behind adequate levels of funding to update its libraries, laboratory equipment has become obsolete or nearly unusable, instructional aids have skyrocketed in cost, and it is becoming increasingly obvious that many quality faculty and staff members are underpaid. He said this is sobering talk to everyone concerned with higher education in Iowa today.

Mr. Arens said that the students see the effects of this higher cost of education as they reflect on the biennial increases in tuition that have been occurring for some time. Each time tuition rises, a higher blockade faces each person who wishes to enter these fine schools. He did not know how many potential students cannot overcome this barrier, but said if it is one student, it is too many. He said that this year a huge wall has been proposed to surround the Colleges of Medicine and Dentistry. He said the impacts of such an increase would be ultimately transmitted to the towns and cities in the state as their searches for quality professionals drag on.

Mr. Arens said should any increase in tuition be handed to the students, they hoped that the institution would be given the latitude to increase significantly those funds it has available for student financial aid. The students feel this asking in any tuition increase is a necessity because as tuition increased, more and more students will be drawn down by the increased weight of their educational costs.

He said the burden of the nonresident, medical and dental students must be lightened or the institution will find itself turning away fine quality prospective students-- students who could, upon graduation, apply their knowledge to the state time and time again. Mr. Arens said a reasonable cost investment with good yield is his perception of the financial aid program. Simply maintaining aid when tuition climbs does no good. He said the student aid investment must be significantly increased in order for the yield to the state to continue to grow.

Finally, Mr. Arens asked the board to support the students before the Governor, the General Assembly, and the citizens of the state, all of whom need to be informed of the tightening financial situation.

Mr. Clark said the students realize the board is faced with a difficult task of financing higher education in the face of rising costs. He said the Iowa Student Dental Association (ISDA) supports efforts to maintain the quality of the College of Dentistry. However, ISDA has some reservations about the obligations a graduating dental student has incurred along the way. He noted that a large percentage of students entering the College of Dentistry have debts from financing their undergraduate educations. This consideration may prevent students from entering the college. A substantial raise in the tuition will make the program available only to those students with enough personal resources. Mr. Clark said the current proposal could change the strata of dental students.

Mr. Clark encouraged the Regents to consider alternatives and said that ISDA suggests incremental increases. It proposed consideration of a step increase over a four-year period. This would allow students time to plan for the increase and to secure enough money.

Mr. Parton, speaking on behalf of the American Medical Student Association, said there is a question of whether an 83% increase in medical student tuition will improve medical care and health care in Iowa. He said the increase in tuition would cover only 3% of the total cost of educating a medical student.

Mr. Parton said that the profession of medicine is not always rosy. The divorce rate and suicide rate are very high and many physicians are alcoholics. He noted that medical students are constantly counseled not to let the pressure of medical school prevent them from taking time to relax. The sudden increase in tuition of 83% will put added pressures on medical students and on the families of those students in the middle income bracket who aren't eligible for aid.

Mr. Parton said a sudden increase in tuition will be a great burden on those in medical school now because it was not planned for. They haven't saved the money in advance and will be forced to borrow money.

He said the students feel the sudden dramatic increase will be an unfair burden. He suggested a more gradual increase in tuition over a longer period of time so that the students in school now won't bear as much of the burden.

Next, Mr. Schur made his presentation. He said the nonresidents students were very displeased with the proposed tuition increase. Mr. Schur said he has had a fantastic time at the University of Iowa and has been very active in campus activities.

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However, Mr. Schur said his financial outlook is facing a "bear market." He explained that he worked during the summers and held a part-time while attending school. This did not result in enough money to pay his tuition and living expenses and he has taken out \$8,000 in loans since coming to the University of Iowa. Upon graduation, he will be facing an unsure job market.

Mr. Schur said that undergraduate students are suffering the loss of quality faculty and because of this they are unable to register for required courses. Courses have become small lectures rather than small discussions and this reduces the amount of individual attention given to each student.

Mr. Schur said his academic studies and student activities were the biggest reasons he came to the University of Iowa. Mr. Schur said he would like his brother to attend the university and experience the things he has experienced but as the stakes go higher every day, it will be difficult to tell his brother to come to the University of Iowa.

Mr. Hagemann, a nonresident graduate student, said the students are strongly opposed to the suggested level of the tuition increase. He turned his attention to the proposed increase for nonresident tuition. He said the rate could affect students' decisions to attend the university and this could effect undergraduate education at the university.

Mr. Hagemann said that in 1976 tuition was low enough for him to come to the university to take courses and work part-time to support himself. Since out-of-state tuition was reasonable, he made plans to stay at the university. At this time he was put into the teaching assistant pool. Because tuition was reasonable, and he was able to stay at the university, he was available when a last minute teaching assignment opened up. Fifty students were able to take a course that might not otherwise have been available to them because he was in the teaching assistant pool.

With rising enrollment, Mr. Hagemann said more instructors will be needed. He noted that this fall a number of students were unable to enroll in a rhetoric class partly because of a shortage of instructors to teach the course.

Mr. Hageman said it is the duty of the state to allow every citizen to develop their talents to the fullest. He said the proposed increase in tuition would move the universities away from the goal and urged the board to reject the increases.

Mr. Richey noted that one of the things done in developing recommendations for tuition rates was to consult with students. This is in accordance with board directives. The Board Office indicated to the institutions what it felt rates should be for each level and each division. The Board Office paid great attention to the biennial rate policy. He noted that there is strong pressure to change this to an annual rate by the Legislature.

Mr. Richey said the proposed undergraduate tuition rates were approximately 15% more than present rates for all three universities. This was the equivalent annual average increase of about 10% in income. The proposed nonresident rate was about a 25% increase representing a yield equivalent to a 15% annual rate increase. Mr. Richey explained that the practice of setting the rates biennially leaves them considerably lower in the second year of the biennium.

Mr. Richey indicated that the board should address the issue of the differential in the nonresident graduate student tuition rates. He said the differential does not yield a lot of revenue. The appearance of the proposed rate increase could be detrimental to the universities in their efforts to attract nonresident graduate students as teaching or research assistants. He said the differential is more apparent than real since when graduate students become assistants, they become classified as resident students for tuition purposes. However, when they are making their decision to come to the universities, the high tuition rate for nonresidents might affect their decisions.

Mr. Richey said that Iowa State University was brought to the same level as the University of Iowa for basic resident undergraduate tuition.

Chris Gammack spoke on behalf of the students at the University of Northern Iowa. He encouraged the board to pay particularly close watch over the individual needs of each of the institutions. He noted that the University of Northern Iowa has a large portion of the student body from the local community area. Consequently, he feared that an increase in tuition could cause students to attend the university on a part-time basis rather than a full-time basis. He said if the number of full-time equivalent students does not keep up, the estimated income increase may not be as much as anticipated in the general fund category.

Mr. Gammack said this would also effect financial aid. If the proposed increase does not generate income, then financial aid will be hurt. There will be a vicious circle syndrome.

He said the students at the University of Northern Iowa understand the financial bind that the university is in but there is concern about raising tuition as a blanket policy for all three institutions.

Gregory Douglas and Tom Jackson were at the meeting to present the views of the students at Iowa State University.

Mr. Douglas said that overall the students feel a 16% increase in undergraduate tuition is prudent concerning the state of the economy. However, they feel a 25% increase in nonresident undergraduate tuition may be prohibitive.

Mr. Douglas said the students are also concerned about the financial aid program which is in dire need of additional funds.

Mr. Jackson said it is unfortunate that rises in the cost of living have come to be expected and that the students are numbed by the constant rises.

He said it is hard to recognize why out-of-state students should bear additional cost

Regent Shaw expressed concern about setting the tuition rates every other year. He noted that in past years tuition provided 24% of the cost of providing an education at the University of Iowa, 26% at Iowa State University, and 24% at the University of Northern Iowa. In the most recent year, these figures were 18.5% at the University of Iowa, 23.6% at Iowa State University, and 19.5% at the University of Northern Iowa. He said that the universities are not getting as much from tuition as they used to. President Petersen pointed out that these figures would depend upon the years used for comparison.

Regent Shaw said he felt the tuition rates should be set every year. He noted that in the first year there is a considerable contribution through tuition and in the second year there is nothing. He said that because the dollar is losing value every year and **there** is a 13% increase in private colleges in Iowa, he did not think the board would be in the best position with the Legislature if it does not review tuition rates every year.

Regent Shaw said there are not other institutions that guarantee tuition for two years. He realized that not everyone can afford to come to the universities without sacrifices. But he said there are many loan and aid programs.

He suggested that the board set a goal in terms of a percentage of the cost of education that tuition should bear. He thought the states raising their tuition levels, keeping them at a higher percentage of the total cost of education, are getting more federal dollars. He said the institutions would get the same amount of money over the biennium with a 15% increase now or a 10% increase in both years of the biennium. In his judgment, a 10% increase for both years would result in a considerably higher starting base.

President Boyd said that the size of tuition does not effect the availability of federal resources available to students. He said the availability of federal funds will be a real problem because the dollars involved are not likely to increase. President Boyd also noted that the universities

have been able to maintain a somewhat lower tuition rate because the residence halls are totally self-sufficient. In other states, some of these other costs are underwritten. Regent Shaw indicated that in some federal programs, students attending institutions of high cost are eligible for more loan money.

President Petersen said that when the board established its present method of operation, it set out several standards. One of these standards was to share the cost of education. Another standard is to look at the relationship between the tuition rates and the rate of inflation. The board also said it is important to review the total cost of going to school as a part of its analysis. It indicated that accessibility should enter into the considerations about the amount of student aid that would and should be available. President Petersen said it would be a mistake to judge the tuition rate proposals in terms of only one criterion. The board must continue to analyze inflation, compare rates at institutions in the eleven-state area, and compare rates around the country to be sure it is maintaining its approximate place in the rankings of tuition rates.

She noted that the board's goal has been to have as low as possible reasonable tuition rates. For a long period of time, the state of Iowa has been in the middle range of tuition rates.

Regent Shaw said the board is changing the price level by setting the rates on a biennial basis.

President Parks pointed out that the state itself is on a biennial basis. He cited a statement carried in all university catalogs that fees are subject to change without notice. He said it is a very wise course to give students a two-year horizon with the provision that adjustments can be made in the case of real emergencies.

President Kamerick noted that guaranteed tuition is not unprecedented. He said many private schools have arrangements in which tuition is guaranteed to students for four years.

Regent Neu indicated that he was troubled by the high rate proposed for nonresident students. He had hoped that the differential between resident and nonresident students could be diminished rather than increased. He said he would like to see the tuition rate for nonresident graduate students at least the same as the rate for nonresident undergraduate students at the three institutions. He did not think there would be any appreciable loss of revenue since once graduate students obtain an assistantship position, they are classified as resident students. He said a consistently high nonresident rate might deter students from coming to the universities from out of state. The rates would be \$2,350 for nonresident graduate and undergraduate students at the University of Iowa and Iowa State University and \$1,868 at the University of Northern Iowa.

Regent Bailey said the proposed increase wouldn't change Iowa's position in the rankings as far as the University of Iowa was concerned. Regent Bailey felt the state has been on the low side as far as out-of-state students are concerned. He did not think the out-of-state students were being mistreated and felt that they have been getting a substantial break from the state of Iowa.

President Petersen asked President Parks if Regent Neu's proposed change would be helpful to Iowa State University. President Parks said it would be helpful because the graduate students are very important to the university in getting the work done. He indicated that the total revenue involved would not be large.

President Petersen reminded the board that when it raised the professional tuition rates significantly four years ago, it phased in the tuition for the nonresident. Therefore, there was some precedent for phasing in tuition rates. She suggested that because of the substantial increases in the rates proposed for the professional colleges, that they be phased in. She said the board must recognize the severe impact on the individuals involved and the need to get back in line of being in the middle range of tuition rates.

Mr. Richey noted that the increase might not be construed as being so extraordinary (in terms of the amounts set aside for essential needs of the health colleges) if it is phased in. He said this approach would also compromise the biennial method to some extent.

Regent Brownlee clarified that the phasing in would be only for the health colleges and not the College of Law.

President Parks said the veterinary medicine students favored this approach. This option had not been previously considered, but Iowa State University would not oppose it.

Regent Brownlee pointed out that there are numerous problems in health science education and that was the reason for the extraordinary increase in tuition rates. President Petersen said that while there might be a loss of income for one year on a phased-in basis, the significant tuition rate would continue after the second year of the biennium. She noted that the income which would be generated would not be a one-time thing and would become a part of those rates as they continue forward.

Regent Brownlee said the board sincerely deplored the increase. However, he said there are serious and grievous problems in financing education in the health colleges. He pointed out that the increase in medical and dental tuition was not just a general revenue raising measure.

President Petersen said the setting of tuition rates on a biennial basis is one of the most painful and difficult decisions the board must make. It weighs heavily on the Regents' consciences and hearts as they look at the effect on individuals. She said it is important that as the board goes to the Legislature, there is a concept of being in a partnership with the state of Iowa for financing higher education. The board must demonstrate

that it has taken its share of the partnership seriously and that it is able to raise its share of the resources for support and commitment to improvement in salaries, equipment, and other categories. She said if the board can use the tuition rates as a lever to encourage the Legislature to do its share in supporting these institutions in this partnership, the quality of the institutions can be maintained and the present programs can be preserved.

Regent Shaw said that in regard to fees, he did not see any reason why they should go up in higher proportion than tuition. He said this would be taking money that could otherwise be available for faculty salaries, library books, etc. He said the fees should be subject to the same kind of limitation as increases in tuition. He questioned why money should be set aside for a transportation system at Iowa State University for a program that has not been described to the board.

Regent Harris said an education in Iowa, even at the new rates, will still be an excellent bargain. He said even though the proposed increases were of great magnitude, it must be recognized that they are necessary. He suggested it would be necessary to go along with the recommended increases.

At President Petersen's request, Mr. Richey provided information about the amount of the tuition rates if they were phased in for the health colleges:

	1978-82		1982-83	
	Resident	Nonresident	Resident	Nonresident
UNIVERSITY OF IOWA				
Medical	\$2,260	\$4,284	\$2,670	\$4,800
Dental	1,250	2,760	1,750	3,760
IOWA STATE UNIVERSITY				
Veterinary medicine	1,748	3,643	2,643	4,100

Rough income losses would be \$280,000 in the College of Medicine in the first year, \$100,000 in the College of Dentistry, and about \$100,000 in the College of Veterinary Medicine. Regent Brownlee noted that this would be just under a half million dollars.

The board then turned its attention to the student fees proposed.

Tom Jackson spoke about some of the concerns of the students at Iowa State University.

He passed out a set of resolutions adopted by the Government of the Student Body. The first of these indicated that the Government of the Student Body supports a rise of 15.7% in its share of the activity fee for the coming biennium in the amount of \$25.00 per year per student.

The next resolution dealt with the creation of a transit fund that approximately \$14 per year per student be earmarked under the student activity fee account for use in establishing a transit system for Iowa State University.

The next resolution was on the activity fee to the Memorial Union that the Government of the Student Body (GSB) resolved to withhold approval of an increase and on the total union fee pending review of the findings of the AUCC subcommittee.

The last resolution was that the GSB supports the proposed rise in the University Recreation Services activity fee to come from the proposed tuition increase.

Mr. Jackson explained that the GSB was not supporting the increase in fees for the Memorial Union because there is no institutionalized policy through which the student government can review the operations of the union. The problems of accountability do not refer to mismanagement of funds or a lack of the management of funds. At this point the GSB is not in a position to say whether the amount of fee is inappropriate or or not. The GSB is waiting to review the findings of several committees. Mr. Jackson said that students need to have input in the operations of the union.

Vice President Moore indicated that the recommendation on the student fee for the union came from the administration. President Parks said it would be appropriate to have the amount for the union set aside and await final approval of the results of the consultation taking place on the campus. He noted that a committee is looking at a way to have greater student voice in the union management. He noted that the students may want to modify their position after the reports are received.

Mr. Jackson said the students recognize that the union must continue to operate and would not object to the fee being set aside.

Mr. Richey pointed out that the board would be tentatively approving tuition rates and fees at this meeting. The board will receive a final report and take final action next month. He noted that the actions taken at this meeting would be reported to the Comptroller and Governor. He said it would be difficult to change revenues significantly in terms of that which goes through the budget.

President Petersen thought that the use of student fees was a creative way of addressing some of the problems of the universities and of being able to demonstrate to the public that the major users of the facilities are making a substantial contribution toward their upkeep and the activities.

Regent Wenstrand noted that \$10 of the student fee was being set aside for a campus transportation system at Iowa State University. He asked if this was imminent.

Vice President Moore said that the City of Ames passed the third reading of an ordinance setting up a transit authority and that a transit authority will be formulated. The City Manager of Ames asked the university administration and student body to join in interviews for a transportation director in the coming weekend. He said the system was definitely in process.

Regent Shaw objected to setting aside fees for a program the board did not know about.

Mr. Richey explained that he recommended the additional amount to be set aside based on the fact that the university is studying a transit system and the precise amount needed for it would be established at a later date. He said if the university is going to consider establishing a transit program, the money must be earmarked at this time. Once the program is fully developed, a proposal will be presented to the board for specific approval. He noted that the board has a precedent for this as in the case of Cambus at the University of Iowa. Mr. Richey said if the money was not set aside now, it would be difficult to get it later. He said the final consideration is whether the board thinks this would be a potentially useful service.

Regent Bailey agreed with Regent Shaw that the board should have a presentation regarding the program.

Mr. Jackson indicated that substantial work has gone into the proposed transit system. He noted that there is a consideration of equalization in that the University of Iowa received fees from tuition for a transportation system and students at Iowa State University are eager to have a similar service.

He said that for the past year and a half, there have been meetings with constituents of the university, the student body, and the city. A tentative budget has been generated. He said solid ground work has been laid for the system and that funds are needed to get the project started. He noted that other areas of funding are also available.

Mr. Jackson said that the students voted on this issue last spring and the vote was favorable; there is strong student support for a transit system.

Mr. Jackson said that if funds are not set aside for an initial fund to begin taking on some of the cost of setting up the system, it will be necessary to come back for funds later and said this would not be equitable.

He noted that the start up cost for the system will be large. In coming years the amount of the fee will have to grow if a usable service is to be provided to the students. He noted that a signal was given to the city in joining with it in this venture. He pointed out there are also student funds for the project.

In answer to a question from Regent Bailey, Vice President Moore explained that there is presently a bus system in Ames with small vans and buses. There will be a large capital expense in setting this system up for facilities and obtaining buses.

Vice President Moore pointed out that the students at Iowa State University have had a great deal of experience with bus systems. Each winter quarter the residence system leases buses to haul students back and forth on the campus. Married student housing does the same thing. At the same time, the university is running a shuttle bus to veterinary medicine and back - it costs about \$100,000 to keep that system going. The city is running the Cy-Ride system which is too small and inadequate to provide the needed kind of transportation. A new system would replace the presently existing bits and pieces and would be cost effective and energy efficient.

The proposed system will make the whole community of Ames available to students in terms of living arrangements. It will reduce the inter-campus and community parking problems.

Vice President Moore noted that the proposed project has been widely accepted in the community of Ames. He said it was well thought out and that he thought it a good idea.

He pointed out that the fees won't be collected until a year from now and it is hoped that there will be a bus system by that time. He said the \$10 fee was a very rough estimate. He said the system would be getting started sometime after the beginning of the next biennium and fully developed at the time of setting fees for the rest of the biennium. At that time the university will be able to recommend an adjustment to the amount of the fee which will be very precise.

Vice President Moore noted that non-student riders will be charged for the system in other ways. Students will be able to ride the buses at anytime, at any hour, to any place.

President Petersen concluded that she was convinced the total rate structure should be left as proposed by the Board Office. She noted Regent Brownlee's argument about the enormity of the needs of the professional schools and the need for funds in the first year of the biennium. She was also concerned about the likelihood of some attempt on the part of others to force considerations of tuition on an annual basis and felt the biennial basis was better.

President Petersen said she continued to support the change in the graduate nonresident tuition to be the same as the undergraduate non-resident tuition rate. This would not lose much revenue and would be helpful in finding teaching assistants and research assistants. In the long run, she said, this would be beneficial and not very expensive.

Mr. Richey noted that he did not think this would cost much money, but asked if anyone had any specific figures which would indicate otherwise.

President Boyd indicated that he did not have the figures on this. Vice President Madden indicated that nonresident students with assistantships pay resident tuition rates and that Iowa State University was trying to sort this out to come up with the figures. Vice President Christensen indicated that he thought the amount would be less than \$200,000. Mr. Richey thought this would be within the realms of reason. President Petersen thought it would be worth the productivity in terms of managing course loads.

MOTION: Mr. Neu moved that the board approve the tuition schedule as shown below and approve the activity fees proposed by the institutions. Mrs. Petersen seconded the motion.

	1979-81		1981-83	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
UNIVERSITY OF IOWA				
Undergraduate	\$ 830	\$1,890	\$ 950	\$2,350
Graduate	950	2,000	1,080	2,350
Medical	1,460	3,284	2,670	4,800
Dental	1,250	2,760	2,000	4,300
Law	950	2,094	1,080	2,486
IOWA STATE UNIVERSITY				
Undergraduate	\$ 816	1,881	950	2,350
Graduate	951	2,001	1,080	2,350
Veterinary Medicine	1,248	2,643	2,000	4,100
UNIV. OF NORTHERN IOWA				
Undergraduate	774	1,460	900	1,860
Graduate	818	1,680	950	1,860

President Petersen noted that the board would be approving these rates with the understanding that changes would be highly unlikely since the information would be forwarded to the Comptroller's Office at the end of the month. She noted there might be minor adjustments or unusual circumstances which would require changes. The only difference from the rates proposed by the Board Office is for non-resident graduate students, which would be lowered to those charged non-resident graduate students.

Regent Shaw indicated he would vote against the entire motion because the rates were being set for the biennium.

Regent Jorgensen indicated concern about the nonresident rates versus resident rates. She noted that Iowa taxpayers are footing a large share of this bill and said there is a question about where the nonresident student fits in. She agreed that the proposed fee schedule was fair and equitable. Regent Bailey said that historically he shared this concern of giving preference to those whose parents pay taxes.

However, Regent Bailey said he was also concerned that the quality of the education program would be affected by being able to bring in the graduate nonresidents and that he was giving preference to that consideration.

Regent Brownlee suggested splitting the question on the motion, but Regent Neu did not think this would make a difference.

VOTE ON MOTION: The motion failed with Mr. Brownlee, Dr. Harris, Mr. Shaw, and Mr. Wenstrand opposed.

MOTION: Mr. Neu moved that the board approve the tuition schedule as shown below and approve the activity fees proposed by the universities. Dr. Harris seconded the motion.

	1979-81		1981-83	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
UNIVERSITY OF IOWA				
Undergraduate	\$ 830	\$1,890	\$ 950	\$2,350
Graduate	950	2,000	1,080	2,486
Medical	1,460	3,284	2,670	4,800
Dental	1,250	2,760	2,000	4,300
Law	950	2,094	1,080	2,486
IOWA STATE UNIVERSITY				
Undergraduate	816	1,881	950	2,350
Graduate	951	2,001	1,080	2,486
Veterinary Medicine	1,248	2,643	2,000	4,100
UNIV. OF NORTHERN IOWA				
Undergraduate	774	1,460	900	1,860
Graduate	818	1,680	950	2,086

The motion passed with Mr. Shaw opposed.

President Boyd said he was very deeply concerned about the staffing of the institution historically and presently in terms of meeting enrollment increases which is very difficult. Regent Brownlee thought that in the long run adequate compensation of the institutions will be served by the difference for a number of years. President Petersen pointed out that there is an extraordinary burden in staffing the institutions and asked if anyone who voted against the motion wanted to make a motion for reconsideration. No one did.

Mr. Richey asked if the tentative set aside for tuition aid of \$1,145,000 was implied in the motion. He said this needed to go into the expenditure budget tentatively until the board makes a final decision. He said he would assume that it was implicated in the motion. He noted that the board would be addressing where student aid lies the priorities of the Regents at the next board meeting.

President Kamerick said he wanted to talk to members of his staff about this. He noted that the tuition goal was measured against the budget rather than against actual income which resulted in a shortfall. If this is the case, the \$147,000 proposed for student aid at the University of Northern Iowa would need to be adjusted upward. Mr. Richey indicated this adjustment could be made before the report is presented to the board.

President Petersen asked if there were objections to considering the guidelines on student aid as part of the above motion with the understanding that the details will be presented to the board next month. There were no objections.

REGENT BUDGET REQUEST FOR OPERATIONS; 1981-83. The Board Office recommended that the board approve a budget request of \$437,827,000 for 1981-82 and \$468,439,000 for 1982-83 subject to adjustment for salary policy and revised income estimates. It further recommended that the board approve special purpose appropriations in the amounts of \$3,851,810 for 1981-82 and \$4,042,810 for 1982-83.

The Board Office revised and tabulated the budget and funding categories as follows:

BOARD OFFICE RECOMMENDATIONS (000's omitted)

	1980-81 Base Budget	1981-82 Proposed Budget	% Incr	1982-83 Proposed Budget	% Incr
<u>Budget</u>					
Fac. & Inst. Off. Sal. (Gross)	\$150,441	\$155,532	3.4	\$160,427	3.1
Prof. & Scient. Staff Sal. (Gross)	76,275	78,756	3.3	81,119	3.1
Gen. Serv. Staff Sal. (Gross)	98,291	101,570	3.3	104,479	2.9
Vacancy Factor	(9,605)	(9,883)	2.9	(10,153)	2.7
Net Salaries	\$315,848	\$326,437	3.4	\$336,374	3.0
Fuel & Purchased Electricity	\$ 19,051	\$ 22,556	18.4	\$ 25,374	12.5
Supplies & Services	58,771	67,586	15.0	76,401	13.0
Equipment	4,074	5,365	31.7	6,654	24.0
Library Books	5,094	6,368	25.0	7,642	20.0
Building Repairs	3,794	5,315	40.1	7,494	41.0
Essential Program Adjustments		4,200		8,500	
TOTAL BUDGET	\$406,632	\$437,827	7.7	\$468,439	7.0
<u>Funding</u>					
Student Fees	\$ 51,596	\$ 59,610 ^{2/}	15.5	\$ 59,864 ^{2/}	0.4
Federal Funds	7,979	8,123	1.8	8,269	1.8
Sales & Other Services	73,644	79,379	7.8	85,106	7.2
Other Income	11,477	11,489	0.1	11,528	0.3
Subtotal - Institutional Income	\$144,696	\$158,601	9.6	\$164,767	3.9
Appropriations	\$261,936	\$279,226	6.6	\$303,672	8.7
TOTAL FUNDING	\$406,632 ^{1/}	\$437,827	7.7	\$468,439	7.0

^{1/}Excludes Western Iowa continuing education.

^{2/}Preliminary estimate; will be revised following Regent decision on tuition rates.

The Board Office noted that the board made tentative decisions in August on all of the expenditure categories for the institutional budgets except for fuel and purchased electricity and essential program adjustments. The Board Office summarized the tentative decisions made in August and Board Office recommendations for remaining items:

Salaries and Wages. The board approved the preliminary salary and benefit budget of \$326,437,000 for 1981-82 and \$336,374,000 for 1982-83 for budget base increases for merit, FICA, and other mandated increases.

Further discussion is reported on pp. 214-218.

Fuel and Purchased Electricity. The board decided to request inclusion of the "pass-through language in the appropriation bill and deferred action on dollar amounts until the September meeting.

See further discussion reported on pp. 218-220.

Supplies and Services. The board tentatively approved budget requests of \$67,586,000 for 1981-82 and \$76,401,000 for 1982-83.

Equipment. The board tentatively approved an amount of \$5,365,000 in 1981-82 and \$6,654,000 in 1982-83 for equipment.

Library Acquisition. The board tentatively approved an amount of \$6,368,000 in 1981-82 and \$7,642,000 in 1982-83 for equipment.

Building Repairs. The board tentatively approved a budget request of \$5,315,000 for 1981-82 and \$7,494,000 for 1982-83.

Essential Program Adjustments. The Board Office noted that its current recommendation included \$4,200,000 for 1981-82 and an additional \$4,300,000 for 1982-83.

The discussion on this category is reported on pp. 221-233.

Funding. The Board Office noted that based on the proposal for new tuition rates (see pp. 186-209), it included tentative amounts of \$59,610,000 for 1981-82 and \$59,864,000 for 1982-83 as student fee income to the general funds. This is an increase of \$8 million over the student fee income for 1980-81 which is nearly a 16% increase.

Other categories of institutional income including federal funds, sales, and other services and other income not changed from the amount set forth in August.

The Board Office said that based on the tentative student fee income and other categories of institutional income, the appropriations request would amount to \$279,226,000 for 1981-82 and \$303,672,000 for 1982-83 for an increase of 6.5% and 8.7%, respectively.

Special Appropriations. The total special purpose appropriations proposed by the Board Office were \$3,851,810 in 1981-82 and \$4,042,810 in 1982-83.

Discussion on special appropriations can be found on pp. 233-237.

Program Priorities. Discussion on program priorities is reported on pp. 237-242.

The Board Office recommended a budget request of \$437,827,000 for 1981-82 and \$468,439,000 for 1982-83 be approved by the board. It said the proposed budget request was recommended as a balanced statement of needs throughout the budget units under the jurisdiction of the Board of Regents.

a. Salary Policy. It was recommended that the board accept the report and indicate its plan for addressing the matter of salary policy for the 1981-83 biennium.

The Board Office explained that in August the board received requests for salary increases for faculty (non-organized) and for professional and scientific employees of the Regent institutions for the 1981-83 biennium. The requests for faculty increases included an amount of 8% for 1981-82 to catch up with the third place average paid by other universities in the 11-state area and increases of 12% for each year of the biennium to keep up with projected increases. University administrators and faculty and professional staff representatives expressed concern about the lag in salaries over recent years and emphasized the disastrous effect on the quality of higher education and service to the state that would result from continued erosion.

The Board Office noted that the average of salary increases granted during the period 1969-70 to 1979-80 was 6% per year. Information regarding increases in state salaries (excluding Regent institutions) assuming merit increases averaging 3.75%, indicated that the state provided an average increase of 9.5% per year during this time.

The Board Office noted that a report was prepared by University of Iowa Professors R. Sjolund and E. Birch which showed that while the real value of faculty salaries has declined, the total personal income of all Iowans for the period 1966-79 has actually exceeded increases in the consumer price index.

In summary, the institutional administrators and the Board Office said that salaries for Board of Regents faculty and professional and scientific staff have not kept up with salaries paid by other competing universities. They have not kept up with percentage increases provided other state employees, and they haven't kept up with increases in personal income in the state. They said a special adjustment is clearly needed if the universities are to maintain the excellent quality of higher education in Iowa.

President Petersen noted that late last spring the board began to focus on the comparative picture in regard to salaries at the institutions and their inability to attract people and keep top flight people. She noted that numerous pieces of testimony and written material were received. She said that in that deliberation, the board indicated it is very concerned about the ground that has been lost to inflation over the last ten to twelve years. She thought it important to address not only the inflation or keep up part in regard to salaries, but to also focus on the ground that has been lost to inflation and what this means in terms of program quality. She suggested that the Board Office recommendation could be addressed in two parts and that the present discussion be devoted to the catch up in salaries. The inflationary portion of the salary issue can be addressed in March with the understanding there would be a full-blown public opportunity to testify and focus attention on that issue in both the Executive and Legislative branches.

President Boyd agreed that a basic issue is the catch up factor. He said the Regent institutions are at a disadvantage in terms of other institutions. President Boyd indicated that the 8% catch up was conservative compared to salaries in other institutions in the 11-state area. He said it would not begin to address the problems the institutions have with the private sector. President Boyd said it was absolutely imperative that the board adopt a position on the catch up amount and forward it to the Governor. He said it should be shown that this is the number one asking of the board.

Regent Bailey asked if the employees referred to by the Board Office that received an average increase of 9.5% were general service staff or Regent employees. Mr. Richey said these did not include any Regent employees. He noted that the Regents general staff did not significantly fall behind but the faculty and professional and scientific employees have fallen behind.

Regent Bailey noted that the faculty and professional and scientific people have experienced a 35% less increase over the last decade than blue collar employees.

Mr. Richey said that in the figures given, a 3.75% average step increase for merit employees during that period was assumed. The Board Office attempted to get more information on this but the state merit system was unable to supply it.

Regent Brownlee said that the institutions and board had arrived at the point of D-Day and said he hoped no one would misunderstand him. He said the board must convey to the state central government and the people of Iowa that the institutions are facing a crisis in funding. He proposed that there be a separate item in the budget, which would be placed ahead of everything else, a funding goal for institutional quality and vitality and to maintain the competitive positions that are needed to attract and retain faculty and staff. He proposed that this item be in the

amount of \$14 million. He noted that the board considers this of the greatest importance in operating the Regent institutions. Regent Brownlee said the sum of \$14 million would be approximately 8% of the amount for non-organized faculty and staff at the five institutions. He said this should be the number one request of the board and that it should be titled in order not to jeopardize subsequent hearings on the cost of living increases for state employees. He said this separate budget item should receive separate, highlighted, and emphasized consideration.

Regent Brownlee said this would be an effort to bring the institutions back on a sound funding basis. He noted that he could not predict the success of the effort but that the present system has not been working very well. This is a way to try to do something about the situation.

President Petersen asked if Regent Brownlee was proposing that this money be used for salaries and not for equipment. Regent Brownlee said that was correct. The money would be used to enhance the vitality and quality of the faculty and staff and to put the institutions in a more reasonable competitive position in attracting these people.

Noting that the board has had some poor experience with special needs requests, Regent Bailey asked if this would be in the same category. Regent Brownlee said he purposely did not use the term special needs or suggest that this be in that category because it should be separate and highlighted.

President Boyd said it was critical that the board make this request. He noted that the board must be able to present the competitive factor as well as the keep up factor in salaries. The competitive factor is known now, but the inflation factor is not.

President Parks said he was encouraged by Regent Brownlee's suggestion and thought the faculty and staff would also be encouraged. He thought it would be wise to wait until spring to address the inflation problem. He believed the faculty would be very pleased and grateful for this kind of support.

Regent Neu thought the approach was very reasonable and had the best chance of success. He noted that in the end the amount of money granted would depend upon the amount available. He said this approach was the best in terms of approaching the Governor and Legislature realistically and said the idea had clear merit.

Mr. Henry noted that in the analysis of why the 2% supplemental salary increase did not succeed, it was determined that it was too closely grouped with the salaries of state people and was in a severe year. He said Regent Brownlee's proposal would be a positive step in distinguishing the needs of the universities from the needs of the rest of the state.

President Petersen noted that a lot of testimony and information is available that the board can utilize in moving this request forward. She said the board would rely heavily on this testimony and analyses done at the institutional level and by the Board Office.

She said the board was not forgetting about inflation or the keep up part of the salary request and said it was imperative for the board to make clear that it must have an opportunity in March, when it is more clearly apparent what inflation will be, to address the Legislature and Governor in regard to that portion of the board's concern. Regent Brownlee agreed that when the budget is forwarded, it should be made clear that the board expects an opportunity to address the salary policy in March. He said the \$14 million would be more of a program request of the highest priority that would be utilized for faculty and staff.

President Boyd noted there are two critical aspects to the salary issue: the competitive factor and the inflation factor. He said this proposal would permit the board to start testifying right away about the competitive factor. During this testimony, the board should indicate it will have additional facts when they become available.

MOTION: Mr. Brownlee moved that the board make a special request for a separate, highlighted budget item of \$14 million to enhance the quality and vitality of the institutions and to maintain the competitive positions that are needed to attract and retain faculty and staff. Mr. Bailey seconded the motion.

Regent Bailey thought that in the presentation of this request a point should be made about how much the faculty has lost compared to other employees in the state. Other people said that many points should be made. President Petersen said the board would rely heavily upon the testimony that has been presented to the board and on the input of the Board Office and institutions as the presentation is prepared.

President Petersen asked board members if they were willing to support this proposal.

Regent Shaw said he was very supportive of this idea and said the board should work hard for it. He said it was also important to appreciate the environment we are in and not begin scrapping with each other. He pointed out that there will be increased defense expenditures, for exports, and for energy. Resources will be sent to other parts of the country because this is an energy deficient area.

President Boyd said an investment in the Regent institutions would be more likely than other investments the state can make to be productive economically. He said this would be something that could be utilized by the state.

Regent Jorgensen said the proposal appeared to be a sound approach of focusing on this phase of the problem.

Regent Bailey said he was convinced that the state may need to look at its policies from the standpoint of priorities. He said that over the last decade there has been a tremendous change in state policies and that many functions have been taken on that are very costly. He said the state increased support for schools which would otherwise have come from property taxes at the local level. He said the board may need to suggest to the people in the state that these institutions are their universities and that they are responsible for them. He said the state may have to revise its priorities and do something about this even though it would mean taking something from other programs.

VOTE ON MOTION: The motion passed unanimously.

b. Fuel and Purchased Electricity Budget Request for 1981-83. It was recommended that the board approve a budget request of \$22,556,000 for 1981-82 and \$25,374,000 for 1982-83 for fuel and purchased electricity, as corrected orally by Mr. Richey for University Hospitals' purchased electricity and opening new buildings.

The Board Office noted that in August the board decided to request inclusion of the "pass-through" language in the appropriation bill. In view of this, the Board Office recommendation for fuel and purchased electricity for 1981-83 has been based on the expectation of continuation of such language. Otherwise, it would be prudent to include a contingency factor in the budget to cover unexpected additional costs due to the adverse effect of unpredictable factors such as weather and energy prices.

In August Mr. Richey suggested the recommendation for fuel and purchased electricity be based on average consumption during the three-year period 1977-78 through 1979-80. He outlined the following method of estimating expenditures during the 1981-83 biennium which was used to develop the Board Office recommendation:

1. The average energy consumption was calculated over the three-year period 1977-78 through 1979-80. The average consumption was used as an estimate for 1980-81 and the subsequent two years of the 1981-83 biennium. The proportion of fuel types was assumed to be in accordance with the institutional estimate for 1980-8. The average energy consumption calculation detail avoided distortion due to energy used by new buildings opened during the period.
2. The institutional price estimates for each energy type were used for 1980-81. The Board Office assumed price increases of 14% for 1981-82 and an additional 12.3% for 1982-83.
3. Application of prices to consumption for each energy type yielded the costs.

The total general program expenditures for 1981-83 resulting from the above method of calculation are reported in the following table as the Board Office recommendation. The table also reports actual expenditures for 1977-78 through 1979-80, the budget for 1980-81, and the institutional request for 1981-83. The costs of opening new buildings are reported to show the relative significance.

	Expenditures Excluding Opening New Buildings	Costs of Opening New Buildings ^{1/}	Total General Program Expenditures
1977-78 Actual	\$12,038,000	\$ 595,000	\$12,633,000
1978-79 Actual	15,144,000	691,000	15,815,000
1979-80 Actual	15,158,000	879,000	16,037,000
1980-81 Budget	17,924,000	1,127,000	19,051,000
1981-82 Inst. Request			22,586,000
1982-83 Inst. Request			27,390,000
1981-82 Bd. Office Rec.			22,556,000
1982-83 Bd. Office Rec.			25,374,000

^{1/} Cumulative costs of fuel and purchased electricity budgeted for opening new buildings for 1977-78 through 1980-81. Such costs for 1981-83 are included in essential program adjustments.

The Board Office noted that differences between the Board Office recommendation and the institutional requests were explained by differences in energy consumption estimates, proportions of each energy type assumed, and price growth for 1981-82 and 1982-83.

The Board Office recommendation was based on the same price inflation factor applied to all energy types which is not likely. Nevertheless, examination of recent price growth for each of the fuel types weighted according to proportion of total fuel consumed demonstrated that a price growth of 14% overall is a reasonable expectation.

The Board Office recommended that a budget request of \$22,556,000 for 1981-82 and \$25,374,000 for 1982-83 for fuel and purchased electricity be approved. It said the recommendation was based on average consumption experience and recognized an average implies a good chance of understating the request. However, continuation of the "pass-through" of fuel and purchased electricity costs in excess of budget would eliminate the need for including a contingency amount to cover above average consumption. The Board Office also noted that the Board of Regents and institutions are dedicated to a vigorous energy conservation program which may offset what would otherwise be above average energy consumption.

Mr. Richey indicated there was a problem with respect to the amount for fuel and purchased electricity for University Hospitals at the University of Iowa because the formula used did not appropriately address the hospital's pattern of consumption of electricity. He said the Board Office recommendation was raised to reflect that aberration from the norm.

Vice President Bezanson said the University of Iowa found the methodology used acceptable. He reiterated the importance of the "pass-through" language. He said that even with the strides made in energy conservation, there are serious risks and the budget would have been constructed differently if there were no opportunity for the "pass-through." He said the budget figures were satisfactory but pointed out that they were linked to the "pass-through" concept.

Regent Bailey asked if everything was being considered in regard to the electricity the institutions manufacture for themselves. He mentioned such things as labor, repairs, and parts that are related to generators. Mr. Richey indicated that these items were supposed to be included in the estimates.

Vice President Moore said items such as the cost of obtaining purchased fuel, transportation, and maintenance and repair of machinery is sometimes funded out of the building repairs budget. He said that basically before the fuel is consumed, the institution draws out the cost to get it into the furnace. He thought these figures had been completely considered in the requests. Vice President Madden said the requests reflected all of the costs believed to be appropriate.

Regent Bailey felt these expenses should be included in the pass through. Vice President Madden said that labor is part of the salaries budget of the institution and would not be recovered in the fuel budget. Vice President Moore doubted that the institutions would be allowed to recover these costs even if they were included in the pass-through because of the governmental budgeting process.

MOTION: Dr. Harris moved that the board approve a budget request of \$22,556,000 for 1981-82 and \$25,374,000 for 1982-83 for fuel and purchased electricity. Mr. Neu seconded the motion and it passed unanimously.

EXECUTIVE SESSION. President Petersen reported that the board needed to enter into executive session to consult with legal counsel under Section 25.A of the Open Meetings Law. On a roll call vote as to whether to enter into executive session, the following voted:

AYE: Bailey, Brownlee, Harris, Jorgensen, Neu, Shaw, Wenstrand,
and Petersen
NAY: None
ABSENT: None

The board, having voted by at least a two-third majority, resolved to meet in executive session beginning at 4:00 p.m. and arose therefrom at 4:45 p.m.

GENERAL
September 18-19, 1980

The following business pertaining to general or miscellaneous items was transacted on Friday, September 19, 1980.

c. Essential Program Adjustments. It was recommended that the essential program adjustments be approved in the following amounts for Regent organizational (appropriations) units:

<u>Organizational Unit</u>	(000s omitted)	
	<u>1981-82</u>	<u>1982-83 (Cumulative)</u>
<u>University of Iowa</u>		
General University	\$2,204	\$5,027
Hospitals & Clinics	819	1,537
Psychiatric Hospital	75	82
State Hygienic Laboratory	0	0
Hospital School	0	0
Oakdale Campus	0	0
<u>Iowa State University</u>		
General University	732	1,347
Agricultural Experiment Station	0	0
Cooperative Extension Service	0	0
<u>University of Northern Iowa</u>	310	420
<u>Iowa School for the Deaf</u>	33	59
<u>Iowa Braille & Sight Saving School</u>	27	28
	<u>\$4,200</u>	<u>\$8,500</u>

The Board Office said the institutions did an extraordinary job in preparing their essential program adjustment needs for the 1981-83 biennium. It said they appeared to be well justified and supportive of university goals and program objectives.

The Board Office noted that recently the state's ability to support higher education and other state programs has been called into question as a result of general economic conditions. It said the 3.6% appropriation reversion mandated for 1980-81 could not be overlooked in the development of 1981-83 request budgets.

It said an overriding concern was to preclude further serious erosion of purchasing power in state-supported education and general operations. Toward this concern, the board previously approved funding requests for both keeping up with inflation and attempting to catch up for lost purchasing power in previous periods in the amount of \$16.2 million. This was exclusive of salary policy or essential program adjustments in 1981-82.

The Board Office said cost containment was a major consideration in developing Board Office recommendations on essential program adjustments. Typically, essential program adjustments relate to improvement or enhancement of existing programs as well as new programs, not just continuation of pre-existing levels of performance. In terms of cost containment, however, maintaining existing program and quality was given strong consideration.

The Board Office said that exclusive of enrollment increase considerations, continuing education projects, federal fund losses, the Regent institutions requested \$11.0 million in special needs for 1981-82 and an additional \$7.4 million in 1982-83.

In developing the institutional requests, the basic assumption was that requests would not exceed 5% of the 1980-81 base budget.

UNIVERSITY OF IOWA. Total institutional requests amounted to \$3.3 million for 1981-82 and \$6.3 million for 1982-83. There were seven priorities established with a number of sub-divisions to some priorities. The Board Office made the following recommendations:

University of Iowa

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
1. College of Medicine Less Extraordinary Tuition Increase	Instruction	\$ 2,600	\$ 4,900
		- 708	- 708
		<u>\$1,892</u>	<u>\$4,192</u>
2. College of Dentistry Less Extraordinary Tuition Increase	Instruction	\$ 205	\$ 219
		- 205	- 219
		<u>\$ 0</u>	<u>\$ 0</u>
6. Opening New Buildings	Plant & Oper. & Maint.	\$ 213	\$ 540
7. Sewer Service		\$ 100	\$ 295
Total Recommended Increases		<u>\$2,204</u>	<u>\$5,027</u>

OVER

The Board Office said the seriousness of the problem relating to maintaining the quality of instruction in the College of Medicine could not be understated. The portion of the recommended extraordinary tuition increase was earmarked above to offset a portion of the anticipated program improvement. An amount that normally would be attributed to general fund support was estimated and included in institutional income estimates for the 1981-83 biennium.

The portion of the College of Dentistry extraordinary tuition increase was earmarked to cover the matter of maintaining program quality.

The Board Office noted that the medical and dental programs are reported to rely too heavily on medical practice earnings in support of education and general operations. There is concern this dependency may affect the quality of instruction being offered.

Confirmed opening of new buildings included the Hydraulics Building, the Geological Survey Building, the Recreation Building Addition, the Chilled Water Plant Addition, the facility at 700 South Clinton, the waste storage facility, and the Hawkeye Sports Arena. All but the sports arena will be operational as of July 1, 1981. Support for the arena was estimated for three-fourths of the 1982-83 fiscal year.

The Board Office did not recommend support for the College of Pharmacy degree program since program approval by the Regents normally precedes any external request for funding support.

University Hospitals and Clinics. University Hospitals and Clinics requested \$2.1 million in essential program adjustments for 1981-82 and an accumulated \$2.9 million for 1982-83. The state appropriation portion for the two years would be \$487,000 and \$677,000, respectively. University Hospitals requested support for 10 priority items. The Board Office recommended support for priorities 1 through 6 as shown below:

University Hospitals and Clinics

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
1. Opening New Buildings	Plant Oper. & Maint.	\$ 0	\$ 661
2. Intensive Surgical Nursing	Prof. Svces & Hlth Sci. Ed.	74	80
3. Pediatric Nursing	Prof. Svces & Hlth Sci. Ed.	663	677
4. Surgical Nursing	Prof. Svces & Hlth Sci. Ed.	112	119
Total Board Office Recommendations		<u>\$ 819</u>	<u>\$1,537</u>

The Board Office explained that the opening of new buildings costs were for South Pavilion - Phase A for six months of the 1982-83 fiscal year. Recommendations for professional services while limited to funding priorities 2 through 4, would be expected to support priorities 2 through 6 at the discretion of the university. These latter priorities were those for which positive recommendations were received for the 1979-81 biennium including medical, neurosurgery, urological, EENT and obstetrics gynecology nursing division needs.

Psychiatric Hospital. The Psychiatric Hospital requested essential program adjustments of \$168,000 for 1981-82 and an accumulative amount of \$180,000 for 1982-83. Board Office recommendations were as follows:

Psychiatric Hospital

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
1. Special Nursing & Patient Care Staffing	Prof. Svces & Hlth Sci. Ed.	\$ 75	\$ 82
		=====	=====

Other University of Iowa Organizational Units. The State Hygienic Laboratory, Hospital School, and Oakdale Campus submitted essential program adjustment requests for \$299,000 for 1981-82 and \$287,000 for 1982-83. The Board Office noted that the university clearly signaled its overriding priority to correct the College of Medicine's serious financial difficulties. It said the net recommendation for the College of Medicine approximated one-half of the total Board Office recommendations for essential program adjustments for each year of the biennium.

IOWA STATE UNIVERSITY. The university requested essential program adjustments of \$2.8 million for 1981-82 and an accumulated \$5.2 million for 1982-83. Board Office recommendations were as follows:

Iowa State University

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
1. Opening New Buildings	Plant Oper. & Maint.	\$232	\$597
2. Transportation System - University Share	Student Svcs	275	275
Revenue from Special Student Activity Fee		-275	-275
		\$ 0	\$ 0

(continued)

Iowa State University
(continued)

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
3. College Needs - Inst. Suppt	Instruction		
Veterinary Medicine		\$ 291	\$ 289
Less Extraordinary			
Tuition Increase		- 291	- 289
Net. Gen. Fund Rec.		<u>\$ -</u>	<u>\$ -</u>
Instructional Personnel -)			
Various Colleges)		\$ 500	\$ 750
Instruction Equipment -)			
Various Colleges)			
4. ISU Center Support	Public Svc	<u>\$ 400</u>	<u>\$ 400</u>
Revenue from Special			
Student Fee		- 400	- 400
Net General Rev		\$ 0	\$ 0
Fund Recommendation		<u>\$ 732</u>	<u>\$1,347</u>
Total Board Office Recommendation			

The Board Office merged priority #1, Opening New Buildings, with priority #6, Elevator Maintenance. The latter resulted from the installation of additional elevators as part of the university's handicapped accessibility program and were considered a legitimate cost of opening new buildings. Instructional improvement requests were related to the Colleges of Veterinary Medicine, Agriculture, Design, Education, Engineering, Home Economics, and Sciences and Humanities. In the development of decision packages relating to college needs, the Board Office proposed university discretion in assignment of costs. It noted that the special concerns of the College of Veterinary Medicine would in part be met with a portion of the new tuition structure. The requested Iowa State University Center Support was to be met with a special student fee.

Other Iowa State University Organizational Units. The Board Office recommended continuation of existing levels of program. New directions or degrees of emphasis would be a function of reallocations or non-general fund sources.

UNIVERSITY OF NORTHERN IOWA. The university requested \$1 million in essential program adjustments for 1981-82 and \$1.8 million for 1982-83. The Board Office recommended \$310,000 for 1981-82 and \$420,000 for 1982-83 as shown in the following table:

University of Northern Iowa

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
1. Graduate Assistant Stipends	Instruction	\$ 50	\$ 50
2. School of Business - Accreditation	Instruction	50	100
3. Instructional Improvement	Instruction	60	120
4. Academic Computing	Acad. Support.	<u>150</u>	<u>150</u>
Total Board Office Recommendation		<u>\$310</u>	<u>\$420</u>

The Board Office said the recommendation for academic computing support would be expected to cover costs of a mini-computer and additional terminals the first year on a non-recurring costs basis with the funds thus appropriated being used for continuing operating costs for the second year and thereafter.

IOWA SCHOOL FOR THE DEAF. The school requested \$141,000 in essential program adjustments for 1981-82 and an accumulative of \$199,000 for 1982-83. Anticipated federal fund losses were involved in two of the three essential program adjustments requested. These losses are addressed in the section on Special Purpose Appropriations (see pp. 233-237). The Board Office recommended phasing in costs related to equalizing parental reimbursement for pupil transportation with Iowa Braille and Sight Saving School. An additional new request was for cost related to opening of new buildings, specifically the Vocational Building Addition. These recommendations are shown below:

Iowa School for the Deaf

<u>Program Element</u>	<u>Program</u>	(000s omitted)	
		<u>1981-82</u>	<u>1982-83</u>
2. Equalize Parental Travel Reimbursement	Student Svcs	\$25	\$50
3. Opening New Buildings	Plant. Oper. & Maint.	8	9
Total Board Office Recommendations		<u>\$33</u>	<u>\$59</u>

The opening of new building costs were related to added energy usage.

IOWA BRAILLE AND SIGHT SAVING SCHOOL. The school requested \$65,000 in essential program adjustments for 1981-82 and \$71,000 for 1982-83. Board Office recommended \$27,000 for 1981-82 and \$28,000 for 1982-83. Replacement of federal fund losses for both Title I, instructional enhancement funding, and Title VI-C, deaf/blind funding, are addressed in the section on Special Purpose Appropriations (pp. 233-237). The Board Office recommended the top priority of the school. In addition, it recommended \$9,000 for 1981-82 and \$10,000 for 1982-83 in support of opening new buildings, specifically the Service Building Addition. This request was not previously reported.

Iowa Braille and Sight Saving School

<u>Program Element</u>	<u>Program</u>	<u>(000s omitted)</u>	
		<u>1981-82</u>	<u>1982-83</u>
1. Regent/Dept. of Public Instruction/Area Education Assoc. Agreement - Final Implementation	Instruction	\$18	\$18
2. Opening New Buildings		9	10
Total Board Office Recommendations		<u>\$27</u>	<u>\$28</u>

Funding support for new buildings was for added energy consumption.

The Board Office recommended that the essential program adjustments as described above and in the amounts identified be approved for inclusion in the Regent 1981-83 budget request.

Mr. Richey noted that an item which had been listed as a last institutional priority, sewer service at the University of Iowa, was originally left out of the Board Office recommendation because of its low priority. This item was restored to the recommendation because it is an unavoidable expense of the university. The amount of the recommendation was \$100,000 in the first year of the biennium and an additional \$195,000 in the second year. He explained that this request was related to improvements in Iowa City in which the university must participate.

He pointed out a correction on the waste storage facility at the University of Iowa. This was inadvertently omitted from the recommendations and was in the amount of \$33,066 in the first year of the biennium. He noted that this is a mandated expense.

President Petersen asked members of each institution to comment on the special needs requests.

President Parks said that Iowa State University did not disagree with the Board Office priorities but said there were just not enough of them. He said it was discouraging for the Agriculture Experiment Station and the Cooperative Extension Service to make requests every year without success. He noted that these areas have proposed some very good projects. He explained that the Experiment Station has a request for the development of an alternative energy through alcohol fuel research. He noted that the Extension Service was asking for funds for energy education and research in soil, water, and waste management. He pointed out that these are highly relevant social issues.

President Parks noted that the budget for Iowa State University is in three sections - general university, the Cooperative Extension Division, and the Agriculture Experiment Station. He noted that although the university seems to get funds for the general area, it never gets funds for the other two areas.

President Petersen noted that there was a possibility that some of these projects might receive outside funding. Regent Wenstrand asked about the status of Hatch Act funds. Assoc. Vice President Madden said there is still a concern that these funds could be reduced in the next federal fiscal year. The Experiment Station is very concerned about the loss of funding from both the state and federal side. He noted that the national Congress adjourned before acting on this appropriations bill.

In answer to a question from President Petersen, President Parks said the university agreed with the priorities recommended if that is the amount of money to be allocated. He said the university would like to see the projects from the Experiment Station and Extension Service given serious consideration in addition to those priorities.

Assoc. Vice President Madden responded to a comment by Regent Wenstrand about federal funding. He noted that the United States Department of Agriculture is moving towards more specific research. He also said that there is more competition for these funds.

Assoc. Vice President Madden said that the budget projections were based on modest increases in federal funds. He noted that changes in this projection could result from the outcome of the presidential election in November.

President Petersen expressed deep concern that the State of Iowa is near the bottom in the amount of funds it is investing in agricultural research and agriculturally related research. She said that investments for these areas would be very small. It would involve \$250,000 in the first year of the biennium and \$100,000 in the second year of the biennium. She said this would be for research on alternative energy resources and alcohol and fuels research and would permit some progress in that kind of research in the Experiment Station. She asked if an amount was included in the first year of the biennium for the Extension Service and not the second year if this would cause a diminished program.

Vice President Moore indicated that the division could get started on this and Assoc. Vice President Moore indicated it could carry on an effective program, although it would not be able to expand in personnel.

President Parks said it would be better to plan for \$100,000 in each year of the biennium. This would give a planning horizon.

President Parks noted that it is very difficult to determine what research is most important to the State of Iowa. He said soil, water, and waste management may not be as huge a societal problem as is energy but that Iowa State University has personnel competent in this area. Other institutions do not. He pointed out that it is possible money for energy education might be available from other sources.

Regent Jorgensen indicated concern about picking up some of the energy deficit by using farm products and said she was also concerned about waste. She said the projects in energy education and soil, water, and waste management are critical.

Regent Wenstrand said he agreed that the soil, water, and waste management project would be preferable at \$100,000 per year. He said the Agriculture Experiment Station should be a priority at \$250,000 for developing alternative resources. President Petersen said that hopefully some of the other items would gain outside support.

President Petersen asked if everyone was interested in adding these categories to the essential program adjustment request. There were no objections.

President Parks expressed appreciation to the Board Office for its assistance to the university in working out this request.

President Boyd then spoke about the essential program adjustment request for the University of Iowa. He said the university was grateful for the recognition of the need to stabilize the budgets in the Colleges of Dentistry and Medicine and the fact that tuition was geared toward this. He explained that there is a problem with respect to the College of Pharmacy. This is a changing field and the entry degree requirements are changing. He also said he hoped the Interinstitutional Committee would consider ways to deal with the essential needs request in regard to the program in social work in the continuing education program in western Iowa.

President Petersen said she was concerned because she had heard from those in the area of pharmacy about their desire to move forward in the same way as the country is moving forward. She said that new ground is being covered in upgrading professional qualifications. The time, information, and skills necessary for entry into this profession have been extended. She was concerned that the College of Pharmacy was being delayed in its ability to move forward in this area. She noted that the request would be for \$100,000 for the second year of the 1981-83 biennium.

Regent Brownlee said if this was a critical item, it should be added to the request. President Petersen said it was not critical but that it was included on the university's priority list. She said the college would be delayed but that it would eventually move in the new direction because that is the wave of the future. It was her feeling that this should be included in the essential program adjustment request. Regent Brownlee agreed.

Speaking for the University of Northern Iowa, President Kamerick said the university appreciated the priorities set by the Board Office. He said the university also appreciated that the Board Office worked closely with the university to establish the priorities. President Kamerick said the amounts in the request were a little low.

He pointed out that originally the essential program adjustments request included \$400,000 for administrative data processing. That item was eliminated because the university is planning to purchase a computer with savings in fuel. He noted that there was still a request for \$81,000 for personnel to operate the computer.

Vice President Martin said the university was very concerned about the reduction of its request in the Board Office recommendation. It was especially concerned about the graduate assistant stipends and the School of Business. He said these were bread and butter items and something must be done about them. He said if the university received full funding for enrollment growth this year, it might be able to deal with these problems. He emphasized that these items must be dealt with or the university will have to squeeze students into classes. He suggested that there be a compromise between the amount proposed by the university and the amount recommended by the Board Office.

Regent Bailey suggested changing the request for graduate assistant stipends to \$50,000 in the first year of the biennium and \$100,000 in the second year. He said the amount in the first year would help the university to get a start on solving this problem and said the state might be in a better financial condition in the second year and be able to allocate the greater amount.

Vice President Martin said this would be helpful to the instruction program. He noted that larger classes can be taught with the help of graduate assistants. He said the faculty are willing and able to teach larger classes when they have this kind of assistance.

On the other hand, said President Petersen, an additional investment in the School of Business or instructional improvement would be significant in enabling the university to move forward in that area. She said the amounts suggested for this purpose were more definite as to what is needed to meet accreditation standards. She felt this kind of investment would be more likely to pay off in terms of accreditation and in the significance of the dollars invested.

Regent Bailey thought the graduate assistants could be used in any field the university needed and that they could be used in the effort towards accreditation of the School of Business. He suggested increasing the graduate assistant stipend category even more.

President Petersen indicated she was also considering the ability to gain support for these programs. She thought there would be more success in increase appropriations with the general understanding of what has happened to the School of Business. She said she would not change the priorities of the university.

Regent Bailey said his comments were related to the priorities set by the university and that he recognized the problems in the School of Business. He suggested increasing the request for graduate student stipends to \$100,000 in 1982-83 and increasing the amount for the School of Business Administration accreditation to \$100,000 for 1981-82.

Regent Brownlee said he strongly supported the College of Business. He noted that it teaches large numbers of people through popular programs and that it is understaffed. He objected to calling the request "accreditation." He said the program is important.

Regent Bailey thought that it might be possible to use the term "accreditation" as a selling point for this request. He said accreditation is pretty important and that if a program is not accredited, this is a sign that the money is needed. Regent Brownlee said it was beneath the dignity of the universities to worry about such things.

President Petersen thought there would be more success in receiving the extra \$50,000 if it was placed in instructional improvement. That request would then be \$110,00 in the first year of the biennium and \$100,000 in the second year. Regent Bailey felt the instructional improvement category was broad enough to use for graduate assistant stipends but was hesitant to change the order of the university's priorities.

Vice President Martin said the university favored successful strategy and would defer to the board's judgment on this. He said any amount in the graduate assistant stipend category would be useful since this money could be stretched further. He said a larger amount of money was needed to add faculty in the School of Business.

Regent Brownlee suggested adopting President Petersen's proposal. President Petersen summarized that this would be \$50,000 in 1981-82 and \$50,000 in 1982-83 for graduate student stipends; \$100,000 in 1981-82 and \$100,000 in 1982-83 for the School of Business; and \$120,00 in 1981-82 and \$120,000 in 1982-83 for instructional improvement.

Regent Bailey was still concerned that the university wanted additional money in the graduate assistant stipend category. Vice President Martin said the university agreed with keeping the graduate stipends as originally requested. In light of this, Regent Bailey agreed with the proposal.

Superintendent Giangreco indicated that the Iowa School for the Deaf concurred with the Board Office recommendations for special program adjustment.

Superintendent DeMott, speaking about the Iowa Braille and Sight Saving School, pointed out that items of completing implementation of the Regents/Department of Public Instruction/Area Education Agency agreement, replacement of federal fund losses in Title I, and replacement of federal fund losses in Title VI-C were being requested in two difference areas.

He highlighted some of the aspects of the essential program adjustment request. He said there was a definite increase in the load of the existing staff and that this must be dealt with in terms of state and federal laws on compliance.

In light of the financial condition of the state, he concurred with the Board Office recommendations.

He said there are areas in which the school does provide service and in which there are positions. He noted that these areas have been targeted in some other reviews, particularly accreditation reviews, as being areas that render good service but are deficient in staff and in serving those in the home. He concurred with the recommendations but emphasized that the needs are very important because of the loss of federal funds and their essential nature.

President Petersen said that the board had recognized its highest priority as salaries. She said the board was very conservative in developing its request and that it eliminated and turned down many important things that perhaps should be a part of the State of Iowa.

Mr. Richey noted that the proposals made by board members for additions to the request for essential program adjustments amounted to about \$450,000.

MOTION: Mr. Brownlee moved that the board approve the request for essential program adjustments as follows. Dr. Harris seconded the motion.

(000s omitted)

<u>Organizational Unit</u>	<u>1981-82</u>	<u>1982-83 (Cumulative)</u>
<u>University of Iowa</u>		
General University	\$2,204	\$5,127
Hospitals & Clinics	819	1,537
Psychiatric Hospital	75	82
State Hygienic Laboratory	0	0
Hospital School	0	0
<u>Iowa State University</u>		
General University	732	1,347
Agricultural Experiment Station	250	0
Cooperative Extension Service	100	100
<u>University of Northern Iowa</u>	420	420
<u>Iowa School for the Deaf</u>	33	59
<u>Iowa Braille & Sight Saving School</u>	27	28
Total	<u>\$4,660</u>	<u>\$8,950</u>

VOTE ON MOTION: The motion passed unanimously.

d. Special Purpose Appropriations. It was recommended that special purpose appropriations increases be approved in the amounts shown below for the 1981-83 biennium:

Program	Recommended Increases	
	1981-82	1982-83
Continuing Education	\$ 18,000	\$ 29,000
Federal Fund Losses	1,748,000	1,811,000
State-wide Family Practice	108,000	225,000
	<u>\$1,865,000</u>	<u>\$2,073,000</u>

The table on the following page lists all proposed Regent-related special purpose appropriations for the 1981-83 biennium.

The Board Office said the extension and continuing education recommendations approved by the Interinstitutional Committee on Educational Coordination amounted to \$976,000. This was an increase over the 1979-80 budget of \$723,000.

The Board noted that all of the priorities were worthy of consideration. Competing programs at the universities resulted in a recommendation of a general increase of 9% for the Western Iowa Continuing Education Program and the same increase for the Quad Cities Graduate Study Center. Total increases recommended for these existing programs were \$18,000 for 1981-82 and \$29,000 for 1982-83.

The Board Office further noted that indications are that veterinary medical education capitation grants and medical education capitation grants will be phased out before the end of the 1981-83 biennium. Veterinary medicine capitation grants losses were anticipated to be \$285,000. Losses for health education capitation grants were anticipated to be \$1,369,000. This amount includes \$775,000 for medicine, \$41,700 for dentistry, \$117,000 for pharmacy, and \$60,000 for nursing.

Also, the Iowa School for the Deaf continues to see its Title I federal funds in support of program improvements eroded. Until now the institution has been able to absorb worthy program elements into its general fund operations as a result of moderate enrollment declines. The institution's ability to absorb the modified program resulting from Title I funds was not expected to be available in the 1981-83 biennium. Title I federal fund replacement in the amount of \$74,000 for 1981-82 and \$132,000 for 1982-83 was recommended. The Board Office said that Iowa Braille and Sight Saving School also was no longer able to effectively absorb portions of ongoing Title I programs or Title VI-C programs (Deaf/Blind). Federal fund replacement was recommended at \$20,000 for 1981-82 and \$25,000 for 1982-83 for these program elements.

The State-wide Family Practice Program requested continuation of the current level of program. The Board Office recommended a general increase of 9% for each year of the biennium or \$108,000 for 1981-82 and \$225,000 for 1982-83.

Table 1

1981-83 SPECIAL PURPOSE APPROPRIATIONS

Program	Institution	1978-79	1979-80	1980-81	Proposed	
					1981-82	1982-83
<u>Board of Regents</u>						
<u>Appropriations</u>						
Continuing Education	Board of Regents	\$100,000	\$ 100,000	\$ 100,000	\$ 118,000	\$ 129,000
Enrollment Increase Cost	Board of Regents		500,000	600,000	--	--
Fuel & Purchased Elect.	Board of Regents	550,000 ^{b/} 225,000 ^{c/}	157,000 ^{c/}	--	--	--
Fed. Fund Loss	Board of Regents		400,000	400,000 ^{f/}	1,748,000	1,811,000
Census Data Center ^{a/}	Board of Regents		76,500	76,500	76,500	76,500
Subtotal			<u>\$1,233,500</u>	<u>\$1,176,500</u>	<u>\$1,942,500</u>	<u>\$2,016,500</u>
<u>Standing Appropriations</u>						
Excess Quota Patients	SUI	75,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Livestock Disease	ISU	200,000	300,000	300,000	300,000	300,000
Clothing & Transportation	ISD	8,000	8,000	8,000	6,000	6,000
	IBSSS		1,000	1,000	3,000	3,000
Tuition Payments & Transportation Costs	ISD/IBSSS	7,000	7,000	7,000	5,000	5,000
Subtotal			<u>\$ 366,000</u>	<u>\$ 366,000</u>	<u>\$ 364,000</u>	<u>\$ 364,000</u>
<u>Other Appropriations</u>						
State-Wide Family Practice Mental Hygiene	SUI Mental Health Authority	985,000	\$1,085,000	\$1,195,000	\$1,303,000	\$1,420,000
Coal Research	ISU	300,000	138,094	242,310	242,310	242,310
Ethanol Research	ISU	51,000	300,000 ^{d/}	--	--	--
			^{e/}	--	--	--
Subtotal			<u>\$1,523,094</u>	<u>\$1,437,310</u>	<u>\$1,545,310</u>	<u>\$1,662,310</u>
TOTAL			<u>\$3,122,594</u>	<u>\$2,979,810</u>	<u>\$3,851,810</u>	<u>\$4,042,810</u>

^{a/}Allocation authority only. The appropriation is to the Office of Planning & Programming.

^{b/}Supplemental appropriation by the 68th G.A., 1979 Session.

^{c/}Supplemental appropriation by the 68th G.A., 1980 Session; the \$225,000 covers the 1978-79 deficit not appropriated in the 1979 Session.

^{d/}Appropriated for 1979-81 biennium after which the program is to be discontinued.

^{e/}Provided for carry-forward of 1978-79 funding.

^{f/}Preliminary reports indicate: a phasing out of veterinary medicine capitation grants at an additional replacement cost of \$285,000; and a further reduction of medical education capitation grants estimated at \$496,000. Total estimated unfunded losses for 1980-81 are \$781,000.

The Board Office did not recommend a request for \$100,000 to attempt to establish markets and new uses for coal for each year of the 1981-83 biennium.

Speaking in his role as liaison person between the Iowa Coordinating Council and the Western Iowa Task Force, Vice President Christensen expressed concern at the reduction in the request for the Western Iowa Continuing Education Program. He noted that the board previously expressed a desire to provide as much as possible for the needs in western Iowa. He said the board was far short of doing that at this time.

Vice President Christensen realized that it was not possible to have as high a request as recommended by the Coordinating Council but suggested that the request recommended by the Board Office be increased by \$100,000 per year of the biennium. This would at least make it possible to continue the services presently provided in western Iowa.

President Petersen agreed that a commitment had been made to the citizens of Iowa. She noted that the board has taken a leadership in the regional organization of public, private, and community colleges. She said there should be some money to indicate to the faculty people, who have been on an overload basis, that there is seed money to help them refine the courses. She noted that a quality program was being delivered in the state that was being taken out of the lives and careers of people willing to tackle the assignment. She said the board should stand behind its commitment and to keep the program in front of the public, the Legislature, and the Governor. Noting that the program had been funded with federal money, President Petersen said the board needed to at least request replacement funds.

Vice President Brodbeck said that the program in social work in the Sioux City area was originally started with a budget of more than \$100,000. She pointed out that it is the only program of its kind in northwest Iowa and that it is very essential. Many people have expressed dismay at its discontinuance she said. She said the request for \$45,000 was very minimal and would keep the program going for about twenty students. There is great need for this she said.

President Petersen encouraged consideration of these two time of \$100,000 in each year of the biennium for the Western Iowa Continuing Education program and \$45,000 for the graduate program in social work in Sioux City.

Vice President Christensen pointed out that since the committee was not receiving the full amount it requested, it would have to set the priorities for the \$100,000 per year to be requested.

After some discussion it was determined that the final figure requested would be \$100,000 for continuing education in 1981-82 and \$100,000 in 1982-83. This would be on top of the budget base. In addition, \$45,000 would be requested in the first year of the biennium for the social work program in northwest Iowa with a continuation of \$4,000 in the second year. It was noted the request was based on discontinuance of Title XX federal funds.

President Petersen asked if it would be possible to meet the board's fair share of the cost of the Quad Cities Graduate Center within these amounts. She noted that the State of Illinois has been bearing a larger share of this burden and that this was not fair. Vice President Brodbeck indicated that this could be dealt with within the additional amount.

President Petersen then asked if there were any questions about the federal fund losses. Regent Brownlee wanted to be sure that the universities were confident that the amounts requested were as close as could be estimated. President Petersen said they were.

On the recommended increase for the statewide family practice area, Vice President Bezanson said that amount proposed was recommended by the unit. He thought some modifications might be necessary as salary policy and some other items are set.

In answer to a question from President Petersen, John Eckstein, Dean of the College of Medicine, said that this unit's share of the 3.6% mandate reversion would be taken from general university funds.

MOTION: Mr. Brownlee moved that the board approve the following special purpose appropriations increases. Mr. Wenstrand seconded the motion.

<u>Program</u>	<u>Recommended Increases</u>	
	<u>1981-82</u>	<u>1982-83</u>
Continuing Education	\$ 145,000	\$ 145,000
Federal Fund Losses	1,748,000	1,811,000
Statewide Family Practice	108,000	225,000
	<u>\$1,865,000</u>	<u>\$2,073,000</u>

The motion passed unanimously.

President Petersen then asked Mr. Richey to review the appropriation actions taken by the board thus far. He said the board had added \$14 million for the enhancement and improvement of the vitality and quality of the institution, added \$350,000 for research programs in the Agricultural Experiment Station and Cooperative Extension at Iowa State University, added \$145,000 in special purpose continuing education programs, and added \$110,000 for instructional improvements at the University of Northern Iowa. The total recommendation for the first year of the biennium

amounted to \$451,892,000. In the second year the board proposed to carry forward the \$14 million for institutional enhancement, added \$350,000 for Extension and Experiment Station at the Iowa State University; added \$100,000 for the College of Pharmacy at the University of Iowa; and added \$145,000 for special purpose programs including the program in social work at Sioux City. This amounted to \$483,034,000.

Mr. Richey noted that in the case of the \$14 million proposal for institutional vitality, an equivalent amount would be included in a University Hospital adjustment for professional and scientific employees to be sure they receive the same treatment as others. He pointed out that this amount would affect the total budget but would not affect the appropriation. It will be funded from patient earnings. The amount is estimated at \$2,050,000.

President Petersen suggested that it would be appropriate for the board to act on approving the budget request for the 1981-83 as a whole. She noted that the board had been taking action on individual sections of the budget.

MOTION:

Mr. Bailey moved that the board approve the total budget request with the provision that the budget does not include action in regard to salaries and that a presentation on inflation in regard to salaries would be made in mid-March. Mr. Neu seconded the motion and it passed unanimously.

e. Program Priorities: Displaced Program Elements and Essential Program Adjustments. The Board Office recommended that the following priority order be applied uniformly to all Regent institutions in transmittals of 1981-83 budget requests to the executive branch:

<u>Priority Order</u>	<u>Priority Description</u>
1	Continuation of existing program - price inflation adjustments
2	Restoration of displaced program costs - institutional discretion
3	Salary policy
4	Federal fund replacement
5	Opening of new buildings
6	Student aid adjustment for tuition increase
7	Instructional program improvement
8	Mandated program costs
9	Equipment formula catch-up
10	Library acquisition catch-up
11	Building repair formula catch-up
12	Supplies and services catch-up
13	Other program improvement - institutional discretion
14	Student aid for non-tuition purposes
15	Displaced program costs with low priority
16	Institutional tuition and other income revisions

In supplies and services catch-up it was noted that the most serious effect of the continuing erosion of purchasing power has been to lessen the ability of the instructional program to perform as needed.

Other program improvement includes research, public service, academic support, student services, student scholarships and fellowships, institutional support, physical plant, and another set of specialized programs for health care units.

In student aid - non tuition based the Board Office said that program development as well as student need not previously incorporated in institutional base budgets develops over time. Occasionally this should not be met by internal reallocation.

The Board Office said there may be certain displaced programs with low priority that need to be delineated in contrast to high priority displaced programs.

Institutional tuition and other income revisions is a technical priority required by the State Comptroller budget formatting. It identifies changes in institutional income which, in turn, would reduce state appropriation requirements.

The Board Office explained that in accordance with state budget format requirements, all displaced program costs must be established in a set of decision packages in priority order. State Comptroller review may result in recommendations which may not include restoration of all displaced program costs so care is required in establishing these priorities.

The following table summarized by standard programs the preliminary priority order on displaced program:

Education and General

<u>Program</u>	<u>% Total Displacement</u>
Instruction	9.6
Research	14.0
Public Service	20.6
Academic Support	7.2
Student Services	10.5
Institutional Support	10.8
Physical Plant	25.4
Scholarships & Fellowships	1.9
	<u>100.0</u>

The Board Office explained the categories. It said the continuation of existing program established the unequivocal need to protect against price inflation.

In the area of restoration of displaced program costs, included program costs of more than \$20 million displaced by price inflation assumptions inclusive of merit salary adjustments for the first year of the 1981-83 biennium. The Board Office said restoration of the programs was in the best interests of the clientele served by the institutions.

In the area of salary policy it was noted that current requests included merit and FICA adjustments applied equally among Regent personnel categories.

In regard to federal fund losses the Board Office said that when source of federal funding which has been used to support instructional programs on an ongoing basis is lost, failure to replace the funds could lead to program retrenchment.

The Board Office said that costs for opening of new buildings were operating costs, not capital costs, and were net of operating savings resulting from razed space.

Commenting about student aid adjustment for tuition increase, the Board Office said that biennially, when tuition recommendations would produce tuition increases, it has been board policy to adjust student aid to offset increased costs to students.

In the area of instructional program improvement, it was stated that instruction is the primary program at Regent institutions. Institutions have the responsibility of making efforts to improve the instruction program.

Mandated program costs are costs developed from time to time that are externally imposed which the institutions must cover.

In the area of equipment formula catch-up, equipment obsolescence and required replacements remain high on any institutional priority list and cut across all basic institutional programs.

In the category of library acquisition catch-up it was noted that this category has had the highest price inflation factor of any expense category. Some ground was lost during the current biennium because of understated price inflation assumptions two years ago.

The Board Office pointed out that in the area of building repair formula catch-up there was an almost endless list of needed building repairs. The building repair formula was designed to cover the most essential needs.

GENERAL

September 18-19, 1980

MOTION:

Mr. Brownlee moved that the board approve the general format of the priority listing to be uniformly applied to all Regent institutions in transmittals of 1981-83 budget requests to the executive branch. Mr. Neu seconded the motion.

Mr. Richey explained that priority 15, displaced program costs with low priority, was included because of the theoretical possibility that one of the institutions might have a displaced program that was of a low priority when compared to other needs.

In answer to a question from Regent Shaw, it was explained that the explanations provided by the institutions on program priorities for 1981-83, did not address the problem of how they plan to meet the 3.6% mandated cutback for 1980-81.

Regent Shaw observed that the University of Northern Iowa and Iowa State University proposed reductions in fuel and purchased electricity to meet the 3.6% reversion but the University of Iowa did not. He asked why. Mr. Sonnenschein explained that the reductions were chosen at the discretion of the institutions and that the University of Iowa chose not to include energy savings as part of its 3.6% reversion plan.

President Petersen said it was important for board members to understand the institution's priorities because they may be called upon to defend them. She hoped that the board would be able to spend most of its time defending its budget request but noted that these programs were exposed and there could be some questions on them.

Regent Bailey noted that item 7, instructional program improvement, was the same kind of language as used in another discussion. Mr. Richey indicated that this would be changed so there would be no confusion.

VOTED ON MOTION:

The motion passed unanimously.

Health Care Units

<u>Program</u>	<u>% Total Displacement</u>
Professional Services & Health Science Education	93.4
Dietary	0.4
Fiscal & Administrative Services	--
Housekeeping, Safety & Security Services	--
Patient Transportation Services*	--
Administration	--
Plant Maintenance & Operation	3.3
Public Health & Environmental Quality	1.6
Clinics & Other Services	1.3
	<u>100.0</u>

*Nominal

The Board Office recommended that the institutions be allowed to establish their own priorities for the restoration of displaced programs and instructional program improvements. It also recommended that the priority order proposed on p. 238 be established as Regent priorities.

Mr. Richey said that item 3, salary policy, had actually become the number one priority of the board. He referred to the proposal for a request of \$14 million for institutional vitality. President Boyd said that was where the salary policy must be and that in spite of the forms to be used, this should be clearly indicated. Mr. Richey said this would not be a problem. He said that in addition to the forms to be submitted to the State House, the Board Office would prepare its own document to use with the Legislature and the Governor.

Regent Bailey felt the nomenclature on the special vitality request would be very important from a psychological standpoint. He suggested that it be called salary catch-up. President Boyd agreed that it must have the word salary in it. Mr. Richey indicated that a descriptive item using the words of the motion which said to enhance the vitality and competitive positions of the institutions, could be included in the budget request.

Regent Bailey said that a catch word was needed to be used in discussing this need. President Petersen felt that Mr. Richey's suggestion was a good one. It would be clear in the presentation that this is salary money but the purpose of it would be articulated by the words in the motion to ask for the \$14 million. Regent Brownlee suggested that the board rely on the Board Office to highlight the proposal. He said he would take part in anyway he could to make certain the request is given supreme attention.

GENERAL

September 18-19, 1980

Mr. Richey called the board's attention to a notice of a hearing with the Comptroller on November 4, 1980. This will be a work session with Mr. Richey, Mr. McMurray, Mr. Sonnenschein, and possibly some institutional representatives in attendance. There will be a public hearing on December 9, 1980, with the Governor. The December 9 meeting is scheduled for 8:30 a.m.-12:30 p.m.

President Petersen urged that as many people as possible attend the public session. She indicated that a format for presentation had not yet been determined and that anyone with thoughts on this should give them to her or Mr. Richey. Regent Brownlee indicated that President Petersen and the institutional presidents should do most of the presentation but that everyone who could should attend. President Petersen said this was essential and would demonstrate the board's earnest support of the budget request.

Mr. Richey indicated that this topic might be included on the agenda of the next board meeting. In answer to Vice President Martin's question, Mr. Richey indicated that any action by the board in regard to enrollment growth would have to be dealt with as a supplemental item to the budget request.

CAPITAL IMPROVEMENTS AND TUITION REPLACEMENT REQUEST FOR 1981-83. Several recommendations were made to the board. These were:

1. Approve a capital request program for 1981-83 for \$83,195,000.
2. Approve the detailed listing of capital projects including the priority order of those projects.
3. Approve a preliminary financing plan for the board's capital request. The Board Office recommended that \$33,495,000 be requested from appropriations and \$50,000,000 be requested in academic revenue bond authority (including \$300,000 to pay issuance costs of the bonds).
4. Request \$3,900,000 for 1981-82 and \$3,750,000 for 1982-83 in tuition replacement appropriations to pay net debt service on existing academic revenue bonds previously authorized and sold. The Board Office recommendation on new bonding would require an additional \$90,000 for 1981-82 and \$875,000 for 1982-83.

The Board Office said the Regent institutions requested capital funds for 1981-83 totaling \$155,707,000. The request was divided into programs. About 60% of the request was for new space; 17% for remodeling; 16% for utility needs; and 7% for fire safety deficiencies, handicapped accessibility deficiencies, equipment, and other miscellaneous needs.

Prior to the August board meeting the Board Office undertook a comprehensive review of the institutional capital requests. The Board Office visited each institution to discuss the requests; recalculated project costs, where applicable, so that all projects submitted by the institutions were expressed in a common manner; and considered the urgency of each project and placed them in a priority order within each of the four programs.

After the August Board meeting the Board Office revised project costs on the Theatre Addition and Chilled Water Plant Addition at the University of Iowa; reviewed the amount of funds available after award of construction contracts on the Library Addition at Iowa State University and determined, in part, a recommendation on use of those funds; reviewed and, in some cases revised, the priority order of projects earlier recommended by the Board Office; and recommended a preliminary plan to finance the Board Office recommended capital request.

The recommendations were to request appropriations of \$33,495,000 and new academic revenue bonding authority of \$50,000,000 to finance the remainder of the program. There would be \$30,000,000 issued in fiscal year 1981-82 and \$20,000,000 during fiscal year 1982-83.

The Board Office recommended a capital program of \$83,195,000. Capital requests of \$72,512,000 in institutional projects were not included in the recommendation.

A table of the recommended capital program can be found in the following pages.

The Board Office commented on the capital request of the institutions and the inclusions and exclusions from each program.

Program A - Emergency Needs and Safety Programs. The institutions submitted projects totaling \$13,515,000. The Board Office recommended inclusion of \$6,780,000 in projects.

The first priority recommended was \$4,825,000 to eliminate a portion of fire safety deficiencies pointed out by the State Fire Marshal in the past year at each of the three universities. The 1980 Session appropriated \$500,000 to begin elimination of these deficiencies at the University of Northern Iowa. That university has \$825,000 in needs remaining, which were included in the requested amount. Fire Marshal inspections at the University of Iowa and Iowa State University revealed deficiencies estimated to cost, in current dollars, about \$5,000,000 to eliminate at each campus. The University of Iowa and Iowa State University requested \$2,000,000 each in a phased program to eliminate the deficiencies. Assessment of priorities within the overall list will be made in the next few months so that the most urgent needs are met first in this phased approach.

The second priority was \$1,330,000 in supplemental funding for the turbine generator and electrical system improvements project at the University of Northern Iowa. As indicated previously, there was a budget shortfall of approximately \$800,000 to complete the project as originally intended. The state appropriated \$3.4 million for this project in 1979. All but

RECOMMENDED CAPITAL PROGRAM - 1981-83
State Board of Regents

(\$000)

<u>Institution</u>	<u>Funding Possibility</u>	<u>Project</u>	<u>Project Request</u>	<u>Cumulative Total</u>
<u>Program A - Emergency Needs and Safety Programs</u> (Listed in priority order)				
UNI/SUI/ISU	A or B	Fire Safety Deficiencies--State Fire Marshal UNI \$ 825 SUI 2,000 ISU 2,000	\$ 4,825	\$ 4,825
UNI	A	Turbine Generator Supplemental Funding and Electrical System Improvements	1,330	6,155
SUI/ISD	A	Handicapped Accessibility Program Improvements SUI \$ 515 ISD 35	550	6,705
IBSSS	A	Raze Old Power Plant Stack and Ash House	75	6,780
SUBTOTAL -- Program A			<u>\$ 6,780</u>	

Program B - New Construction, Remodeling and Equipment
(Listed in priority order)

ISU	A or B	Equipment and Utility Improvements for Renovated Old Veterinary Medicine Quadrangle Equipment \$ 715 Utility Imprvmts. 305	\$ 1,020	\$ 7,800
	A or B	Library Addition Equipment	1,520	9,320
UNI	A or B	Russell Hall Renovation	500	9,820
	A or B	Communications Facility--Construction (w/o equipment) of 47,310 GSF	6,295	16,115
ISU	A or B	Gilman Hall Renovations--Phase	3,000	19,115

A - Appropriations

B - Bonding (Academic Revenue)

(Program B continued)

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<u>Institution</u>	<u>Funding Possibility</u>		<u>Project Request</u>	<u>Cumulative Total</u>
ISD	A	Recreational Program Improvements a) Pool Expansion \$ 90 b) Recreational Bldg. and Equipment (18,000 GSF) 1,115	\$ 1,205	\$ 20,320
ISU	A or B	Mechanical Engineering, Engineering Science and Mechanics-- Construction with equipment of 95,450 GSF	\$15,520	35,740
UNI	A or B	Communication Arts Center-- Construction, Final Phase (without equipment) of 67,000 GSF	6,530	42,270
SUI	A or B	Theatre Addition--Construction (without equipment) of 43,135 GSF	5,645	47,915
UNI	A or B	Remodeling--Two Buildings a) Wright Hall \$ 945 b) Sabin Hall 150	1,095	49,010
SUI	A or B	Chemistry/Botany Remodeling	3,390	52,400
ISU	A or B	Retrofit Old Veterinary Clinic Space for use by Industrial Education-- Planning only	200	52,600
SUI	A or B	Law Building--Construction (without equipment) of 181,600 GSF	21,235	73,835
		SUBTOTAL -- Program B	<u>\$67,055</u>	

Program C - Utility System Needs
(Listed in priority order)

ISU	B	Heating Plant Improvements-- Final Phase	\$ 720	\$ 74,555
SUI	B	Sanitary and Storm Sewer System Replacements--West Campus (2 projects)	1,150	75,705

(Program C continued)

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<u>Institution</u>	<u>Funding Possibility</u>	<u>Project</u>	<u>Project Request</u>	<u>Cumulative Total</u>
UNI	B	Steam Distribution System Improvements (4 projects)	\$ 1,315	\$77,020
ISU	B	North Campus Storm Sewer--Phase II	600	77,620
IBSSS	A	Utility Systems Improvements	150	77,770
SUI	B	Oakdale Electric Distribution System Improvements	1,860	79,360
SUI	B	Miscellaneous Power Plant Renovations	240	79,870
SUI	B	Replace Steam Line--University Theatre to Music Building	335	80,205
ISU	B	Primary Electric System Revisions and Improvements	1,090	81,295
SUBTOTAL -- Program C			<u>\$ 7,460</u>	
<u>Program D - Statewide Health Services</u>				
SUI	A	University Hygienic Laboratory--New Addition--Oakdale Campus--Planning only	\$ 220	\$81,515
SUI	B	Chilled Water Plant--Phase IV	1,680	83,195
SUBTOTAL -- Program D			<u>\$ 1,900</u>	
TOTAL REQUEST				<u>\$83,195</u>

PROJECTS RECOMMENDED FOR DELETION
FROM FURTHER CONSIDERATION AT THIS TIME

(Not in priority or program order)

<u>University of Iowa</u>	<u>Amount</u>
Chemistry/Botany Safety	\$ 330
West Campus Roadway	1,431
Oakdale Steam Distribution System Renovation	616
Renovation of 5KV Electric Distribution System	311
Hawkeye Sports Arena--Utility Extensions	1,673
Water Plant Addition	3,080
Jefferson Street Water Main	429
Rounding Adjustments	1
Subtotal	<u>\$ 7,870</u>
 <u>Iowa State University</u>	
Gilman Hall Renovations (Portion deleted)	3,360
Industrial Education II Remodeling - Construction	7,300
MacKay Hall Construction	10,020
Agronomy Building Addition	26,290
Library Remodeling	7,540
Water Pollution Plant Share	2,490
Major Remodeling--Utilities	1,120
Heating Plant--Boiler Make-Up Improvements	500
Heating Plant--Replace Station Power--Phase II	340
Northwest Campus Substation	980
Cooling Tower Replacement	270
Steam Distribution System Repairs and Improvements	570
Sewer System Repairs and Improvements	280
Water Distribution System Replacements and Improvements	190
Library Utility Extensions	760
Rounding Adjustments	7
Subtotal	<u>\$62,017</u>
 <u>University of Northern Iowa</u>	
Communications Arts Center Equipment	900
Water Line Improvements	20
Storm and Sanitary Sewer Improvements	160
Steam Line Improvements	135
Subtotal	<u>\$1,215</u>
 <u>Iowa School for the Deaf</u>	
Elevator Difference--Primary Hall	45
Primary Hall--Retrofit for Media Center & Senior Living Center	700
New Construction Difference for Media Center and Senior Living Center	665
Subtotal	<u>\$1,410</u>
TOTAL EXCLUDED	<u>\$72,512</u>

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\$130,000 of that amount has been contracted. There are about \$800,000 in additional contracts to be let, such as piping and installation and electrical connections of the equipment that make up a turbine generator.

The university also had an urgent need for \$530,000 more for its electrical system improvements project in order to make the turbine function in the manner intended. The next contracts in the series on the turbine need to be awarded in February or March of 1981. If the deficiency or supplemental appropriations are not available by that time, the turbine project will not be completed in the fall of 1981 and will be delayed by eight to twelve months.

The third priority in this program was handicapped accessibility program improvements of \$550,000. It was noted that the state has provided almost \$5,000,000 to the five institutions in a program to make all of the principal academic and administrative space at the Regent institutions accessible to the physically handicapped. It was reported that the program will be completed within funds appropriated at the University of Northern Iowa, Iowa State University, and Iowa Braille and Sight Saving School. The program can be completed at the University of Iowa, with the exception of two elevators which were deleted because of greatly inflated costs. The elevators would be put in the Museum of Art and the Field House when remodeled. The program will be completed at the Iowa School for the Deaf, except that inflation caused deletion of an elevator in Primary Hall. The Board Office recommended a chair lift at \$35,000 as an alternative to the elevator. This amount is less than half the cost of a new elevator.

The last proposal was to raze the Old Power Plant Stack and Ash House at Iowa Braille and Sight Saving School. This project was in the 1980 capital request of the board but was not funded. The stack and ash house should be razed to eliminate potential hazards.

The Board Office did not recommend \$330,000 to complete fire safety modifications in the Chemistry/Botany Building at the University of Iowa. It noted that this is an urgent fire safety need but recommended that it be given its proper weight and priority in assessment of all other fire safety needs on that campus and that it be funded out of the \$2,000,000 recommended for fire safety deficiencies.

The Board Office also did not recommend a \$6,360,000 project to make certain modifications in Gilman Hall at Iowa State University. Only the portion of this project involving relocation of the Chemistry Stores Building to an outside location was deemed to be related to fire safety. The Board Office said that portion of the project should be included in the \$2,000,000 for fire safety deficiencies for Iowa State University. The rest of the project was considered in Program B, New Construction, Remodeling, and Equipment.

Program B - New Construction, Remodeling, and Equipment. The institutions submitted requests totaling \$118,909,000. The Board Office recommended inclusion of \$67,055,000 in the board's capital program and suggested a priority order for the projects based on need and urgency.

University of Iowa

The University of Iowa request totaled \$37,997,000. The Board Office recommended inclusion of all but the last priority of the university in this program. The West Campus Roadway was excluded. Three new buildings were included for which the 1979 Legislature provided \$600,000 in advance planning funds. Schematic plans were complete for the Law Building, Communications Facility, and Theatre Addition.

The 47,310 gross square foot Communications Facility will house the television, radio, and film programs of the Department of Communications and Theatre Arts, as well as the rhetorical studies program and department administration currently located in Jessup Hall. Geography will move into the space vacated by those programs in Jessup Hall.

The Law Building is a 181,600 gross square feet project. The University Theatre Addition involves construction of 43,135 gross square feet.

The Board Office recommended inclusion of the remodeling portion of the Chemistry/Botany Building to renovate 15,000 gross square feet of presently unusable space to provide modern and safe teaching and research laboratories.

The Board Office noted that its recommended priorities were revised from those presented in August. The changes were made in recognition that the first priority is to vacate and raze Old Armory which can be accomplished only with the construction of both the Communications Facility and the Theatre Addition. It was also recognized that the Chemistry/Botany project is higher in priority than the West Campus Road. The only difference between the university's priorities and those recommended by the Board Office was that the Chemistry/Botany remodeling project was placed above the construction of the Law Building, primarily because of the relative costs involved. The Board Office also felt it was important to remodel existing space as quickly as possible to make it usable.

Iowa State University

Iowa State University's request was \$69.3 million. There were seven projects on the university's priority list. The Board Office shifted the Gilman Hall Renovations project to that list. The university indicated the Gilman Hall project was its highest construction priority in this program. The exception was the equipment requested for buildings already under construction. The Board Office recommended partial funding for the institution's first four priorities, planning money for priority #5, and deletion of the last three priorities.

The first two priorities were for equipment for the Quadrangle and Library Addition projects. Both are under construction during this biennium and expected to be completed by the fall of 1982. The Board Office said it would be necessary to receive equipment money approximately one year in advance of occupancy because of long lead-time orders. The equipment lists considered the usability of present equipment. Capital equipment appropriations were also considered in the operating equipment formula.

The university reported an urgent need to undertake a comprehensive revamping of the ventilation system and chemical hoods in Gilman Hall. About 85% of this building is laboratory space. The Board Office's initial assessment of need showed that this project can be done in phases. It recommended \$3,000,000 of the approximate \$6,000,000 requested with the understanding that the remaining \$300,000 for fire safety items would come from the fire safety deficiency appropriation.

The university requested funds for construction of three new buildings. The highest priority was the construction of a new structure for Mechanical Engineering, Engineering Science and Mechanics. The cost of the building was expected to be \$15,420,000, including equipment needs. The Board Office said this was a very high priority need because the programs are currently housed in obsolete and inadequate space. It noted that the mission of the university was being hampered by this housing for two major departments within the College of Engineering. The Board Office also recommended inclusion in the request this biennium of the equipment needs for the building because of the construction schedule. Planning has proceeded through use of private funds and the Board Office said the university has saved perhaps as much as one year in the time required to get the building completed.

The Board Office did not recommend inclusion of an addition to MacKay Hall for home economics and a major addition to the Agronomy Building. The Board Office noted that, given the state's expected financial condition and other institutional needs, it was perhaps unreasonable to expect to construct that much new space in a single biennium.

The university included two remodeling projects on its list. The Board Office recommended planning funds only for renovating approximately 70,000 gross square feet in space vacated by the Veterinary Clinic for use by Industrial Education. The cost of renovating the space was quite high (over \$100 per gross square foot). The Board Office said the university needed funds to determine which space in Veterinary Clinic can be economically remodeled, as compared to building new space to house the function. It is probable that the front building could be remodeled for \$50 to \$60 per square foot and used for offices and general classrooms. The remaining space could be demolished and new space could be constructed at a cost of about \$75 to \$80 per square foot. The planning funds would give the university the opportunity to explore the various alternatives leading toward proper housing for Industrial Education.

The last institutional priority was to remodel the existing library. The Board Office noted that the project would be necessary at some point in the future but that it could probably be deferred until 1983. It pointed out the library addition will not be completed until the fall of 1982.

University of Northern Iowa

The university requested \$9,025,000 for six projects.

The university included three urgent remodeling projects - Russell Hall Renovation, Wright Hall Remodeling, and a small project in Sabin Hall. All of these projects were on the board's capital request in 1980 but were not funded. It was noted that the Russell Hall project has been planned and could go to bid shortly after receipt of funds.

The Board Office recommended inclusion of completion of the Communications Arts Center which will provide 67,000 gross square feet primarily to house the art programs of the university. Art is currently housed in a number of buildings on campus which are not suited for the purpose. In some instances the space is condemned and unsafe.

Space vacated by Art could be used to great advantage by the university to provide space for inadequately housed programs. Art II, an old physical plant building, would revert to that purpose and eliminate some of the storage needs for which the university is currently leasing space. The building program has been completed for the center and an architect could be hired to draw detailed plans and specifications very shortly after funding.

Iowa School for the Deaf

The Board Office assessed the urgent needs of the school to be:

1. Additional recreation space, which would be gained through construction of an 18,000 gross square foot recreational facility and through expansion of the pool to provide more teaching and recreation space;
2. A need for additional space for the media and teaching aid function;
3. A program to house students in their senior year in a more independent environment than is possible in standard dormitory living.

The institution suggested building new space for the latter two needs. The Board Office conducted a preliminary investigation into the feasibility of a complete change in the function of Primary Hall at the school which, with declining enrollments, will probably not be needed for housing primary age students. Those students can be fitted into other dormitory space. The preliminary investigation showed that Primary Hall would lend itself well to both functions and that a retrofit of the building could

be accomplished for about half the cost of new construction. It appeared that the basement of the building would lend itself to a media center while the other two floors, which already contain some apartments, could be made into an excellent senior living center.

The Board Office recommended inclusion of the recreational program improvements. It appeared that the appropriate direction to meet the needs of media and senior independent living would be the Primary Hall retrofit project. The Board Office said a firm decision on this could wait for the next two years as the school gets a better fix on enrollment patterns in terms of number of students and, more importantly, age of students enrolled. If enrollments of primary age school children continue to decline, the students currently housed in Primary Hall could be unquestionably moved to other space on the campus so the vacated building could be retrofitted. If there is some type of upsurge in primary school age children enrollment, Primary Hall will be needed to house those students.

Program C - Utility System Needs. The institutions presented requests totaling \$21.4 million. The Board Office recommended meeting only the most urgent needs for a total of \$7,460,000. The Board Office tried to exclude any utility projects which could be deferred to a later biennium with a minimum of risk.

University of Iowa

Major projects included were elimination of some serious sanitary and storm sewer system problems on the west campus; initiation of a complete revamping of the utility systems on the Oakdale Campus, concentrating on the electrical distribution; miscellaneous power plant renovations including renovation of the east smoke stack on the power plant where a recent inspection indicated that the parapet wall at the top of the chimney requires repair to avoid collapse; and replacement of the steam line from University Theater to Music Building, a project which must be done at or about the same time as the University Theatre addition is constructed.

The Board Office recommended that the request of \$1,673,000 for Hawkeye Sports Arena Utility Extensions be funded from anticipated balances in the Water Plant Sludge Treatment appropriation. The 1979 Session appropriated \$1,855,000 for the university to undertake construction of a new water plant sludge treatment facility. The institution has entered into discussions with Iowa City to purchase alternatively the existing Iowa City sewer treatment plant. Preliminary discussions seemed to indicate that both plant purchase and the Hawkeye Sports Arena Utility Extensions can be funded within the \$1,855,000 originally appropriated for building a new plant. This appropriation was deauthorized until July 1, 1981. The Board Office said if there was any effort not to appropriate the funds on schedule, it would be necessary to review the capital requests.

Iowa State University

The Board Office recommended inclusion of the final phase of the heating plant improvements pointed out in the investigation of the heating plant operations. About 50% of this project can be funded through utilization of unneeded balances in the water pollution control project, making the 1981-83 request a net \$720,000. The Board Office assumed by this that the water pollution control project share of the university in the next biennium will be approximately \$150,000 for design costs only. Evidently, the university will need to come up with approximately \$2.6 million for its share of the \$30,000,000 plant. The planned construction schedule will be closely monitored but the Board Office did not think the larger amount would be due in the next biennium. The Board Office also included a project started this biennium for a north campus storm sewer needed to eliminate flooding problems, particularly in the library area. The final project recommended was completion of a looping system on the primary electrical system which serves the campus.

Iowa State University had over \$2 million in 1979 capital appropriations for utilities deauthorized until July 1, 1981. The most urgent utility needs were included in that appropriation. There was \$1 million for the water pollution control plant. The Board Office proposed utilizing \$850,000 of that amount for the initiation of the Heating Plant Improvements project to be supplemented by the \$720,000 requested in the 1981-83 request, making a total project cost of \$1,570,000. The first phase of the North Campus Storm Sewer project in the amount of \$308,000 was involved and would be supplemented by \$600,000 to complete the project in this request.

There were a number of campus utility improvements totaling \$756,000 which were of higher priority than the looping system on the Primary Electrical System. The Board Office said \$2,064,000 was needed as scheduled or the capital request would have to be reviewed and probably revised.

Highly favorable bids were received for contracts on the Library Addition. There appeared to be, according to the university, about \$1 million available to meet other library construction needs after award of contracts for basic construction of new space. The university included two portions of the Library project in the capital request. These were equipment for \$1,522,000 and utility extensions for \$760,000.

It was noted that the university has a number of different priorities for use of the \$1 million. All of them are worthwhile and eventually will be needed in an overall program of improvement of library facilities. The university placed remodeling last in its priority list for \$7,540,000 under Program B. There are also a number of improvements outside the basic construction budget for which the Foundation has undertaken a fund drive as its support to the library. The first use of those funds would be a contribution of \$400,000 for design service fees.

The Board Office recommended that the board request the equipment for the library addition and that the university fund the utility extensions out of balances remaining in the \$8.1 million appropriated for library construction by the 1979 Session. The library budget has a line for utility connections totaling \$206,000. It was suggested that perhaps the university would not need to spend the full \$760,000 to provide services properly to the addition. If so, the university would have funds left to begin modifications in the existing library, particularly code-mandated requirements which should be done at approximately the same time as the library addition is opened.

University of Northern Iowa

The Board Office said the most urgent utility need was to receive the supplemental monies requested for the turbine generator and electric system improvements. It noted that the university has a \$1.3 million need to make certain improvements in the steam distribution system. Part of these improvements are needed for the new coal-fired boiler to function correctly.

Iowa Braille and Sight Saving School

The Board Office said this school had a number of utility needs, most of which needed some planning, study, and assessment of priorities. They included locating and renovating storm and sanitary sewer system; examination of the steam distribution system; examination of sewer and water lines at the Main Building and replacement costs; roof needs on the Service Building, Heating Plant, Main Building, and Auditorium. The Board Office recommended \$150,000 be requested for the most urgent of these needs.

Program D - Statewide Health Services

The first project in this program would provide \$225,000 in planning funds to draw plans and specifications for the construction of an addition to the Oakdale Hospital to permit consolidation of main campus units of the State Hygienic Laboratory with the central operation recently relocated to the Oakdale Campus. The main campus units are presently located in four dilapidated, obsolete, and unsafe converted residences on the west campus. A building of about 18,600 net square feet was projected.

A second project was the expansion of the chilled water plant through installation of two 980 ton absorption chillers and required auxiliary equipment to make them functional. Evidently, this project is needed as a result of the construction of the South Pavilion, Phase A, and needs to be done prior to occupancy of that project. There was a revision in the amount presented in August for the Chilled Water Plant Expansion in the amount presented in September. The expansion will provide direct support to University Hospitals through state capitals. Expansion would not be required if the South Pavilion were not under construction.

The Board Office recommended both projects for a total of \$1,990,000

The Board Office noted that the basic institutional project amounts were adjusted upward in the recommendations to bring costs up to the level needed at the estimated time for bidding on each project. In its 1980 request the board included an 11% inflation factor for fiscal 1980. For fiscal 1981 the best estimates indicated an inflation rate from 9% to 12%. The Board Office inflated costs, as appropriate, by 10%. For fiscal 1982 it used a 9% factor.

It was noted that excellent bids were being received at the present time. The Board Office was concerned that once the economy improves, there will be a corresponding increase in construction. In the past this has fueled inflation, as well as increased prices due to marketplace shortages.

The Board Office said that in the past decade, the Regents have received direct capital appropriations of about \$93.4 million and bonding authority totaling \$37.9 million for total capital availability from the state of \$131.3 million.

The capital recommendations of \$83,195,000 would be the highest capital request in the past decade. The average biennial appropriation and bonding authority for the past eight biennia from the state was about \$26 million. The largest amount was received in the current biennium when the institutions received appropriations of \$37,136,000. Of this, \$12,566,000 was deauthorized until July 1, 1981.

Given the state's current financial condition, the Board Office suggested the primary method to meet institutional needs on a timely basis would be to go heavily into the academic revenue bonding market. It noted that since the inception of that program, the board has issued \$50.3 million in such bonds. As of July 1, 1981, there will be \$32.9 million in principal outstanding. It said the program has been well accepted in the marketplace with from five to ten bidders on each of the issues to date with net interest rates ranging from 4.6% to 5.2%. The Board Office noted that the state replaces student tuition and fees used for debt service through a tuition replacement program of annual state appropriations.

The Board Office said the board's bond capacity was substantially underutilized at the present time. The heaviest load on these bonds in proportion to number of students enrolled was at the University of Northern Iowa and the lowest load at Iowa State University. Thus, the primary limiting factor in amount of bonds issued is the level of annual tuition replacement appropriations involved. That amount impacts upon the board's ability to receive other capital appropriations in a particular legislative session.

The state will have paid over half of its total debt service loading on existing academic revenue bonds at the completion of the 1981-83 biennium. Maximum tuition replacement needs were reached in the current biennium when \$8.8 million was appropriated. This amount will drop to \$7,650,000 for the next biennium and decline rather dramatically thereafter.

The Board Office said that of the \$83,195,000 requested \$8.4 million would need to come from capital appropriations. These projects are at Iowa School for the Deaf and Iowa Braille and Sight Saving School, the Field House handicapped elevator at the University of Iowa, and the University Hygienic Laboratory Addition. None of these projects are eligible for student fees support (the basis of academic revenue bonding). Also included in that appropriation listing were all projects under Program A because either the funds are needed prior to the time bonds can be sold or because the Board Office felt that safety needs should be met by the state from appropriations and not from use of student fees. This would leave about \$74.8 million that could be funded from either appropriations or academic revenue bonds.

Tuition replacement appropriations do detract potentially from capital appropriations made in any legislative session. A \$50 million bonding program would mean that the maximum tuition replacement requirement in any one year in the future would be under \$10 million. Therefore, the Board Office recommended that new bonding authority totaling \$50 million be sought from the 1981 Legislative Session. It also believed that the state should provide a certain level of support to meet capital needs of the Regent institutions on a recurring basis. With a \$50 million bonding program, the appropriations level for the next biennium would be \$33.5 million. Of the \$74.8 million remaining to be funded after taking out those projects which must or should be funded from appropriations, approximately one-third would come from appropriations and two-thirds from academic revenue bonds.

The Board Office said the bonding recommended was tailored to minimize the impact on tuition replacement requirements for the next two years of the biennium. Of the \$50 million, \$30 million would be sold during fiscal year 1981-82 and the remaining \$20 million would be sold during fiscal year 1982-83. A 7% net interest rate was assumed throughout. On a \$39 million issuance, total debt service through the life of the issue would be approximately \$54 million, with \$47 million coming from the state in tuition replacement appropriations and the remaining \$7 million coming from earnings on investment of funds during construction and reserve fund earnings. The Board Office said the impact upon the state of tuition replacement appropriations would probably be less severe than presently assumed. The Board Office assumed the state would pick up 87% of the cost of debt service on the \$50 million and that earnings would account for approximately 13%. Proportionately, on current issues outstanding the state has picked up about 75% of the cost and earnings have paid about 25%.

The Board Office recommended that as much as possible be sought from the state in capital appropriations but that a maximum amount of \$50 million in academic revenue bonding authority be sought should the state find itself unable to fund appropriations in excess of \$33.5 million.

The Board Office noted that the board is past the peak in its needs for tuition replacement appropriations on existing academic revenue bonding authority. For 1981-82, debt service payments totaling \$4.4 million will be made. Of this \$2.6 million will be in principal payments. Institutional earnings of about \$500,000 will reduce the tuition replacement need to \$3.9 million.

For 1982-83, debt service payments totaling \$4,250,000 will be made. Institutional income of about \$500,000 will reduce the tuition replacement request to \$3,750,000.

The Board Office said an additional \$90,000 would be required to pay debt service on new bonding authority for 1981-82 and an additional \$875,000 for fiscal year 1982-83 if new bonding authority of \$50 million was authorized under the plan outlined.

Mr. Richey opened discussion by saying it had been brought to the attention of the Board Office that the West Campus Road at the University of Iowa should have been included in the recommendations. He said a commitment had been made to attempt to obtain state funding for it and for this reason it should be on the list. The amount for the West Campus Road was \$1,430,000 and it would be on Program B - New Construction, Remodeling, and Equipment.

In regard to Program B, President Petersen was concerned about the replacement of Old Armory. She noted that there were two projects involved (Communications Facility and Theatre Addition) and said these two projects should be considered as a unit. She did not think it made sense to put the Theatre Addition lower on the list of priorities in view of the fact that the board had decided safety was of the highest priority. She noted that building the Communications Facility would solve only part of the problem because there would still be large numbers of students in Old Armory until the Theatre Addition is built. She proposed that the Theatre Addition should immediately follow the Communications Facility in the priority list.

Also in regard to Program B, Vice President Brodbeck said it was very despairing to find the College of Law building so low on the priority list. She said it was anticipated last year that the building would have very high priority.

In regard to Program A, Emergency Needs and Safety Programs, President Petersen noted that the University of Iowa and Iowa State University had listed some high priority items which could be subsumed. She asked the institutions which ones they would address.

Vice President Moore said there had been some discussion with the Board Office about where to place the Gilman Hall renovation. He noted that it was placed under the category for fire safety deficiencies in the hope there would be enough funds available to do the most urgent parts of the renovation involving safety and health. Vice President Moore said the university was not in a position to say whether the amount of money requested would be enough to do everything needed but that it would be very helpful. He had no alternative suggestions. He said the Gilman Hall situation was of great concern to the university because of the health and safety factors.

President Parks thought the decisions for Program B were very difficult to make. He did not understand why any need would be greater than the Mechanical Engineering Building at Iowa State University. He called it an obsolete monstrosity. He said the engineer's function is vital to the state's industry and that it would be a mistake to underplay the necessity of a new building in this area.

President Boyd said he appreciated the needs of the other universities but the he also felt strongly about the askings at the University of Iowa. He said the University of Iowa has been waiting in line for these funds. He noted that in the last General Assembly a decision was made to ask for replacement money for Old Armory. He said to have that done and then be faced with a change in priorities was difficult to deal with. He said the university has programs of outstanding quality in Old Armory being utilized by great numbers of students. The Law School is under severe criticism nationally because of its inadequate housing. President Boyd said the planning money had been spent to good advantage and he found it difficult to accept not taking advantage of the planning.

In answer to President Petersen's question, President Boyd said the University of Iowa's priorities were the Old Armory replacement, the College of Law building, the Chemistry/Botany Building, and the West Campus Road.

President Petersen asked what the Board Office's reasons were for changing the priorities of the institution.

Mr. Richey responded that the institution has a good basic building, Chemistry/Botany Building, that desperately needs remodeling and renovation. Mr. Richey said the College of Law building needs are so large that it could cause funds to be unavailable for remodeling for perhaps an entire biennium. He explained that the Board Office priorities were determined on existing space that it is possible to remodel economically and these were placed ahead of the law building which is a massive project. He said if the law building had been included for the same amount as the Chemistry/Botany Building, the law building would have been given higher priority. Mr. Richey said that greater attention should be given to remodeling outmoded space that it is possible to remodel and that this attitude was also reflected in the recommendations for Iowa State University.

President Parks indicated that Iowa State University was in agreement with the priorities listed.

Vice President Stansbury spoke about the needs at the University of Northern Iowa. He said that the university had only one major instructional capital request, the Communications Art Center Phase II. He pointed out that this project is completely programmed and utilities are in the ground. Quonset huts which are being used for art are of World War II vintage and were to be used for only ten years.

Vice President Stansbury pointed out that capital funds for the University of Northern Iowa are primarily state dollars and that there is no other source of funds for instructional facilities at the university. He said that while the university showed some capital construction gain in the early seventies, this gain in space did not compare to the tripling of enrollment experienced by the university in the 1960s.

He pointed out that construction of the Communication Arts Center Phase II would make it possible to raze Old Administration Building. He also said that nearly 2,000 students are scheduled in the current art facilities which are inadequate.

Vice President Stansbury said this project has been on the Regents capital list for twelve years and that the University of Northern Iowa has waited in line. Over the last six years the university averaged \$260,000 per year for instructional capital. He suggested that this project deserved a very high priority on the Regents capital list.

Comments were made by Mr. Leland Thomson, Facilities Planning and Space Assignment Director, and Dr. Margarete Eby, Dean of the College of Humanities and Fine Arts.

Mr. Thomson distributed a map of the campus showing three buildings listed in Program B. These were Russell Hall, Wright Hall, and Sabin Hall. He said that in Russell Hall, a music building, there are problems with the heat and air conditioning systems because they do not work. The building is heavily occupied and this causes problems. High humidity has caused some of the floors to buckle. He noted that acoustics are also a problem. The National Association of Schools of Music, which is the accrediting agency, has expressed serious concerns about this building, said Mr. Thomson.

Next Mr. Thomson talked about Wright Hall. He said space for home economics needs to be remodeled. He noted that this is not a standard type of space. He pointed out that the building has not been renovated since it was built in 1914. The facility is substandard and not as good as found in some secondary schools. Mr. Thomson said that the problems with the facility make it difficult to recruit and retain faculty. He noted that the environment in which people work is very crucial.

Mr. Thomson said that renovation of Sabin Hall would enable the university to pull departments together where they have major classrooms. He said this is a small but key project. There would be a domino type of effect because two or three other departments could be put together and stop a lot of fragmentation.

In regard to the Communication Arts Center, Mr. Thomson said it is now possible to start on a schematic design phase. The first phase of this Center has been in use for four years and the main problem is that the project has not been finished. He said if this project stayed in the recommended priority position, it would be impossible to move ahead on this project. He urged that the university be allowed to finish the project because it would help with many other things, such as the use of vacated space. Mr. Thomson said the university had done its work on this project and was ready to move ahead.

Dean Eby talked about the academic problems faced by the university. In the present situation, art students are not able to intersect with each other and there is no cross fertilization of ideas. Faculty members see other faculty members only in non-teaching situations.

Dean Eby noted that the Art Department has one department head but it is difficult for that person to administer a department which is located in four widely separated areas.

Mr. Richey summarized the recommendations for capital improvement requests. At the University of Iowa the total was \$46 million, including the West Campus Road; at Iowa State University, \$25.6 million; at the University of Northern Iowa, \$11.6 million; at Iowa School for the Deaf, \$.2 million; and at Iowa Braille and Sight Saving School, \$.2 million. The total was \$84.6 million. In addition there would be administrative expense for bonded projects. Mr. Richey also pointed out the projects that were deleted from the Board Office recommendation. He noted that \$84.6 million appeared to be a very large sum of money.

Mr. Richey said that some of the deleted projects could not be postponed for much longer because of the accumulation of need that has occurred over the decade.

He said the amount of the recommendation was not made lightly and that serious consideration was given to the impact the size of the request would have on the Governor and Legislature. He noted that board members might want to make some changes in the priorities or amount to be requested.

Vice President Moore indicated that the institutions were all trying to show the board that they have serious needs. He said that the Board Office recommendation was internally consistent with the priorities of the institution but noted that no actual expansion of space was included in the recommendations for Iowa State University. He said the university is needful of more new space. He urged the board to give serious consideration to the priority list and recognize the purposes it tried to serve.

President Petersen noted that there is a well organized interest group in the area of agronomy. This group's purpose is to see that additional space for agronomy is built. She asked if the priorities stated could be made to stay if an agronomy building was not included on the list.

President Parks agreed that there was a special interest group in agronomy. He noted also that there was a group interested in the Mechanical Engineering Building. This group has raised \$500,000 to help with planning for the building. He said that both agronomists and engineers are of tremendous importance to the economy of Iowa. President Parks said that even though these groups exist, the priorities of Iowa State University will be those set by the board.

Vice President Stansbury expressed appreciation that a part of the University of Northern Iowa's request was included in the recommendations. However, he said this would not really begin to meet the university's need. Vice President Stansbury said that the university purposely held its request down in order to maximize the serious need for the Communications Arts Center - Phase II.

President Petersen noted that there was nothing included on the list that was not of very high priority. She noted that several important items were not included on the priority list. She said the list was a heavy responsibility because not everything will be funded. She pointed out that there were \$12 million worth of deauthorized projects that would come ahead of the projects on this list. She said even some of those projects may not be funded.

Regent Brownlee said that the board should not push so hard for capital funding that the number one priority of the board would suffer. He said the institutional vitality was more important than the capital projects. President Petersen agreed that the operating budget should take precedence over the capital budget.

Regent Bailey suggested that whatever projects possible should be handled in a bonding request. He noted that he has opposed this procedure in the past, but in the past money has been available for these projects. There is now a reverse situation. He said any request for appropriation, as opposed to bonding, would be in competition with the board's request for operating funds.

President Petersen asked what the yearly appropriation request for tuition replacement would be if all possible projects were funded under the bonding authority.

Mr. Richey explained that under the Board Office proposal the maximum annual debt service required from appropriations would be about \$9.75 million. Under Regent Bailey's proposal the maximum amount would be financed with bonds and about \$10 million funded from appropriations. The maximum annual debt service figure would be between \$11.5 and \$12 million. He said this would peak in the mid 1980s and then drop in the late 1980s for the remainder of the issue. This is because the 20-year even principal bonds are front-end loaded in terms of debt service cost.

Regent Bailey asked if there would be a problem with security on his proposal. Mr. Richey said that bond resolution pledges potentially undermine tuition income.

President Parks suggested having an understanding with the Governor and Legislature that the board is willing to bond for any projects for which it is legal. It was mentioned that at a county contact meeting the question of additional bonding was raised. There were three Legislators attending the meeting who were all quite supportive of this concept.

Regent Shaw suggested being cautious about financing because of the likelihood that the institutions' business is not going to grow much in the next eight or ten years. The board must be very careful, he said, that it does not undertake fiscal responsibilities that will ultimately hurt the people.

Mr. Richey said the financing plan could be quite fluid depending upon the amount of money the state has. The minimum amount needed to do the work is \$9.8 million appropriations and the rest can be split between appropriations and bonding as the board wishes. Regent Neu thought it would be better to allow this flexibility. Mr. Richey indicated that has been the normal procedure. He said the board would have to commit itself on the split it thought appropriate at this time.

Regents Wenstrand and Neu did not think this was very important. They noted that if the Legislature wanted to build buildings, it could finance them either way. Regent Neu said the board should tell the Legislature that the board's priority is to put up buildings and that it is not particular about how they are funded. He said it would not make any difference what the board recommended if the Legislature really wanted the buildings to be built.

President Petersen summarized that the board's recommendation would be an arbitrary plan for conducting business noting that the emphasis should be on the projects and that the board does not care how they are funded. Mr. Richey said every project could be indicated as being bondable or not bondable.

Regent Bailey found this proposal satisfactory. He thought the Legislature would look at the proposal in terms of the total dollars the board has requested and the total number of dollars available. He noted that in the past there has been resistance to bonding in the Legislature. But, he said, if the institutions are going to do some of these projects, it will be through bonding. He said the board should not be its own competition.

MOTION:

Mr. Neu moved that the board approve a preliminary financing plan for the board's capital request to request \$33,495,000 from appropriations and requested \$540,000,000 in academic revenue bond authority (including \$300,000 to pay issuance costs of the bonds) with the understanding that the board does not care how the projects are financed. Mr. Shaw seconded the motion.

Regent Neu did not agree with Regent Bailey. He agreed that there had been increased resistance to bonding in the Legislature but thought this may change when the Legislature wants to do something but doesn't have the money to do it. He did not think that the board's request for capital to come from appropriations would have much bearing on what it receives for the operating budget. He said the operations budget and capital budget would be separate.

President Petersen indicated that the purpose of the recommendation was to focus discussion on moneys for capital projects and ways of financing them so that projects would not be blocked.

VOTE ON MOTION:

The motion passed with Mr. Bailey opposed.

On the question of the priority listings, Regent Neu asked for an explanation about tearing down Old Armory. President Petersen explained that the Old Armory cannot be razed until the Communications Facility and Theatre Addition are completed. There is no alternative to using Old Armory until both of those are built because of the specialized activity that takes place. Regent Neu thought the projects should be grouped together on the priority list.

President Petersen indicated that these buildings are of high priority because of safety problems in Old Armory. She expressed concern about the rearrangement of the University of Iowa's priorities because of what it did to the internal priorities of the University of Iowa and because of the effect on the priorities of the other institutions in the total program. She noted that in the university's priorities, the Law Building was placed ahead of the Chemistry/Botany Building.

President Boyd indicated that he was very concerned about this. He said that in addition to the university's priorities being rearranged, there was also an issue of the time involved. He said the university has believed in interinstitutional priorities and realized that needs are considerable at all of the institutions and has tried to accommodate this. President Boyd said that the replacements of the Old Armory and Law Building have been on the capital list for several years. They came to the top of the list during the last Legislative Session so money was requested and appropriated for planning. Now, he said, the projects have been placed further down the list. He felt it is the University of Iowa's turn at this time according to the board's prior actions.

In answer to a question from Regent Brownlee, Mr. Richey explained that there were two issues - the placement of Old Armory on the list and whether the Chemistry Botany remodeling should come ahead of the Law Building. He said that, according to university priorities, the Law Building would come before the Chemistry Botany Building. The Theatre Addition would be moved up to follow the Communications Facility or the Communications Facility would be moved down to the Theatre Addition. He assumed that it would be moved up.

Noting that the Board Office acted to set the priorities interinstitutionally in terms of the projects most important overall to the state, President Petersen asked if the Board Office gave consideration to the history of the institutional requests. Mr. Richey indicated that the Board Office did not give this aspect a lot of consideration. He said more priority was given to assessment of current need. He suggested that the board could address this consideration better than the Board Office.

Regent Neu asked about the rationalization for moving the Theatre Addition at the University of Iowa down the list. Mr. Richey explained that the Gilman Hall and Mechanical Engineering projects at Iowa State University were urgent needs. There were also urgent needs at the University of Northern Iowa. He pointed out that the Board Office recommendation did not reflect any lack of need for the Theatre Addition at the University of Iowa.

President Petersen suggested that the university priorities should be respected. Regent Neu noted that the board does have a right to change these priorities. President Petersen said it was incumbent upon the board to set a priority list to help the Legislature make its decisions.

Regent Wenstrand proposed that the priorities be changed so that the Theatre Addition follow the Communications Facility at the University of Iowa and that the last three projects of Program B would be the Law Building, Chemistry Botany Building, and the West Campus Road.

President Petersen noted that this would have the effect of demoting the Chemistry Botany Building. Regent Bailey asked the University of Iowa if it really wanted to reverse the positions of the Chemistry/Botany Building and Law Building. He suggested that if money is tight, it will be more complicated to get money for a \$21 million project than for a \$3 million project. The result could be that money would not be appropriated for either one.

Vice President Brodbeck said the Law Building is a very important project. A new Law Building is desperately needed because the present building is inadequate.

MOTION:

Mr. Wenstrand moved that the board approve the detailed listing of capital projects except that the listing of priorities be changed so that the Theatre Addition follows the Communications Facility at the University of Iowa and that the last three projects of Program B are the Law Building, Chemistry/Botany Building, and the West Campus Road. Mr. Bailey seconded the motion.

In answer to President Parks' request for clarification, Regent Wenstrand said the last five projects would be, in reverse order, the West Campus Road, remodeling of Chemistry/Botany Building, construction of the Law Building, renovation of the Old Veterinary Clinic space, and remodeling of two buildings at the University of Northern Iowa.

President Petersen noted that the effect of this would be to advance the renovation of the Old Veterinary Clinic space and move down the second priority of the University of Iowa. She thought this was unfortunate. She said there would be large numbers of other projects on the other campuses before a project that has plans and is ready to go. She said it would be better to switch to the priorities of the University of Iowa and leave the rest as they were.

Regent Neu noted that Regent Wenstrand's motion was an attempt to honor the institution's request that their priority determination be honored to have the Law Building placed before the Chemistry/Botany Building.

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Regent Neu said there was apparent agreement on the first part of Regent Wenstrand's motion to move the Theatre Addition after the Communications Facility and suggested treating this as a separate part of the motion.

President Petersen asked if everyone agreed to the request for dividing the question.

Regent Bailey, noting that he was not objecting to the request, pointed out that the motion would have the effect of placing the Theatre Addition ahead of many of the items at the other institutions. In regard to the point made earlier that the University of Iowa's priorities were being pushed down, Regent Bailey said the motion would reverse this effect. Regent Neu indicated that he was concerned about the safety of the people in the Old Armory.

There were no objections to dividing the question. The first part of the motion was move the Theatre Addition after the Communications Facility.

VOTE ON FIRST DIVISION OF MOTION: The motion passed unanimously.

President Petersen pointed out that a strong case could be made for every project on the priority list to make each one the number one priority. Unfortunately, she said, they had to be placed in a priority order.

Vice President Brodbeck reminded that board that the Law Building was very high on the interinstitutional requests two years ago. She said there would be a good deal of dismay on the campus as what appears to be an unexplained change of priority. She hoped the board would consider the fact that it did think highly enough of this project to request planning funds for it. She said this has been done but now the project was near the bottom of the priorities.

President Petersen pointed out that in every biennium the board must review these priorities in terms of what other projects have been added and in terms of health and safety needs. She said the board starts over again at the biennium. Mr. Richey said that the planning for the Law Building was primarily to find out what could be done and was not detailed planning. Vice President Brodbeck said an institution does not request planning funds unless it seriously intends to build.

President Parks did not think the appropriation of planning money should control the final decision about priority listing. Vice President Stansbury noted that the project at the University of Northern Iowa, the Communication Arts Building - Phase 2, is also ready to go. Vice President Moore pointed out that this is also true of the Mechanical Engineering Building.

President Petersen pointed out that not everyone would be happy with the priorities recommended.

Regent Jorgensen said that at least the board was not trying to reduce the amount of the recommendation. For a variety of reasons she said she would support Regent Wenstrand's motion.

President Petersen noted that one of the effects of the motion would be to have building projects mixed in with remodeling projects rather than a block of remodeling projects. Regent Brownlee did not think this mattered.

Regent Bailey thought the retrofit of Old Veterinary Clinic Space should stay in its original place on the list because it is reutilization of space and does not involve very much money. President Petersen explained that the money would be for planning to see if the retrofit is feasible and realistic.

Regent Harris noted that the board did not have an objective way of arriving at a ranking. He thought there might be a way to assign a weight or a factor to some of the considerations. President Petersen said the board would have to use its judgment to make decisions on this. Regent Harris said the board would still be making the judgment. He said weights could be given to safety, energy conservation, and other considerations. President Petersen said that the evidence of the struggle the board was experiencing in setting the priorities demonstrated that each member of the board has a different set of values and that the final decision would be a meeting of minds.

Mr. Richey said that all of the things mentioned by Regent Harris were taken into consideration by the Board Office and a ranking was attempted. He pointed out that different buildings on different campuses have different problems. In the past there was a formula for assessing space for new buildings. However, no one has developed a formula like the one Regent Harris suggested. He said the Board Office would note this for future development and try to refine this process. Mr. Richey noted that there would still be disagreement about the system of weighting used.

The second division of the motion was to make the last four items on the list the remodeling of Old Veterinary Clinic space, construction of the Law Building, remodeling the Chemistry/Botany Building, and the construction of the West Campus Road.

VOTE ON SECOND DIVISION OF MOTION: The motion passed with Mr. Neu and Mrs. Petersen opposed.

MOTION: Mr. Bailey moved that the board request \$3,900,000 for 1981-82 and \$3,750,000 for 1982-83 in tuition replacement appropriations to pay net debt service on existing academic revenue bonds previously authorized and sold and request an addition \$90,000 for 1981-82 and \$875,000 for 1982-83 for new bonding. Mr. Wenstrand seconded the motion and it passed unanimously.

ENERGY MANAGEMENT PROGRAM - 1981-83. It was recommended that the board request \$2,485,000 in capital appropriations to carry forward the energy management program of the Board of Regents during the 1981-83 biennium. Of this \$565,000 would be requested for 1981-82 and \$1,920,000 would be requested for 1982-83. It was also recommended that the board indicate its desire that energy management appropriations continue to be appropriated to the Board of Regents for allocation among the institutions.

The 1979 Legislature appropriated \$4,675,000 to the Board of Regents to initiate a comprehensive energy management program at the state universities. The 1980 Session deauthorized \$3,775,000 of the amount appropriated for energy management until July 1, 1981. The board allocated funds as follows:

	Allocation to <u>6/30/81</u>	Available after <u>7/1/81</u>	<u>Total</u>
University of Iowa	\$330,000	\$1,410,000	\$1,740,000
Iowa State University	390,000	1,340,000	1,730,000
University of Northern Iowa	170,000	1,025,000	1,195,000
Iowa School for the Deaf	<u>10,000</u>	----	<u>10,000</u>
TOTAL	<u>\$900,000</u>	<u>\$3,775,000</u>	<u>\$4,675,000</u>

The Board Office said institutional usage of funds appropriated to date was as follows:

University of Iowa. An energy auditing team headed by John Houck was assembled. The team will have completed Class A energy audits on six buildings on the central campus by the end of the month. Class A energy audits will be conducted on eight additional buildings by June 30, 1981. A simple payback method is used to rank projects. Paybacks range from one month to infinity. Preliminary data showed that about \$100,000 per building can be spent within the basic guidelines of only undertaking projects which average two year's payback time.

On the average the 14 buildings audited and to be audited will have about \$1.4 million in "hard" projects which will fall within the two-year average payback guideline. The university will, for the most part, undertake construction of those projects during fiscal year 1981-82.

The university is continuing to add buildings to its central automation system. Five buildings will be added this fiscal year through an allocation of approximately \$200,000 in university funds. Finally, the university has applied to the State Energy Policy Council for a \$98,255 federal grant to match energy audit expenses. If that grant is received, the university will be able to fund additional construction projects in energy management out of present appropriations.

Iowa State University. The university contracted with Brooks, Borg and Skiles to conduct a Class A energy audit on seven campus buildings. The work is completed and the result of the audits showed the same opportunities for energy savings as at the University of Iowa.

Iowa State University has undertaken a project to connect approximately 24 additional buildings to its central control system. This is funded by \$320,000 in the energy management appropriation and a one-time allocation of \$300,000 in Physical Plant Equipment funds. Completion of this project is the key to Iowa State University's ability to more closely schedule usage of buildings or to shut down buildings during the holiday period.

After July 1, 1981, when funds are again available, the university intends to undertake construction of a number of projects pointed out in the energy audits which, for the most part, involve modifications of HVAC systems in buildings and to continue the program to extend the central control system to more buildings on campus. The university will install permanent meters in buildings on which retrofit work has taken place so that a record of energy savings can be made.

University of Northern Iowa. There are four studies in process under an agreement with Durrant Engineers. The first study was to conduct a Class A energy audit on seven buildings which has been completed. The second study is to conduct Class A energy audits on the 28 remaining campus buildings which will be completed by the end of the year. The third study is to begin designing energy retrofits for the initial seven buildings studied. The fourth study is to review and make recommendations on the type of central control system needed which is a key element of energy management programs.

After July 1, 1981, the university will purchase and install a central control system and undertake construction of retrofit projects in all buildings on campus. The projects will fit within the guidelines of the board of a two-year average payback.

Iowa School for the Deaf. Class A energy audits need to be conducted on six buildings. There is \$10,000 available to begin the auditing process. The Board Office believed that the fuel and purchased electricity costs at the school could be reduced by as much as 35% through a comprehensive energy management program.

It was anticipated that Wilscom-Mullins-Birge would begin the energy auditing process. The initial phase of the auditing needs to be completed by January 1981 so that the school can be eligible for a federal matching grant for construction which would be requested early in 1981.

The Board Office noted that the State of Iowa, through administration by the Energy Policy Council, is expected to receive approximately \$2.1 million in federal funds in fiscal 1981 for energy management. There is a 30% set-aside for hospitals; 30% for colleges and universities; and 40% for competitive grants among all eligible institutions. Grants are made for technical assistance, which is used for Class A energy auditing, and for construction projects.

University Hospitals submitted applications totaling \$105,000 for construction projects within the Hospital School and Psychiatric Hospital.

The Board Office speculated that the federal grant program would continue and that the state would receive at least \$2 million per year for the next three or four years. It anticipated submitting grant applications as any federal funding of the energy management program reduces the ultimate appropriation needs of the state and enables the institutions to complete projects at a faster pace. The Board Office said state matching dollars were urgently needed as these are 50-50 grants.

The Board Office and institutions recommended that the board request \$2,485,000 in capital appropriations for the 1981-83 biennium. Primary allocation of the funds would be as follows:

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	<u>1981-82</u>	<u>1982-83</u>	<u>Total</u>
University of Iowa	\$140,000	\$ 140,000	\$ 280,000
University Hospitals	300,000	200,000	500,000
Iowa State University	--	500,000	500,000
University of Northern Iowa	--	1,005,000	1,005,000
Iowa School for the Deaf	75,000	50,000	125,000
Iowa Braille & Sight Saving School	50,000	25,000	75,000
TOTAL	<u>\$565,000</u>	<u>\$1,920,000</u>	<u>\$2,485,000</u>

Planned usage of the funds is as follows:

University of Iowa. It would be able to continue its auditing program using its internal auditing team. The funds would allow completion of Class A energy audits on all central campus space at the university. The university would seek federal funds to undertake construction projects during the next biennium in addition to those construction projects which will be carried out using currently appropriated funds.

University Hospitals. The funds would be used primarily as a state match on federal grants for energy management. The hospital administration believed there was about \$1.5 million in energy conservation opportunities available in the General Hospital. Even if no federal grants were forthcoming, approximately one-third of the projects could be carried out if \$500,000 were appropriated. It is also anticipated that the hospitals would meter steam flow from the central power plant.

Iowa State University. It would complete its energy audits on central campus space and also use these funds, as needed, for state match of federal grants.

University of Northern Iowa. The money requested would be used primarily to continue construction projects in 28 campus buildings now being audited.

Iowa School for the Deaf. The money would be utilized to finish Class A energy audits on space identified at the school for study; to undertake construction retrofit projects; and for state match on federal grant applications.

Iowa Braille and Sight Saving School. It was believed there are about six buildings on the campus which need to be audited. The amount requested would be used for auditing; construction retrofit; and state match on federal grants.

The Board Office noted that the Board of Regents has an alternative not available to other state agencies since the board could fund energy management projects through sale of academic revenue bonds. It felt, however, that the maximum amount of bonding feasible for the next biennium was considered in the recommendations on the capital program. The Board Office said that energy management is a statewide program and, therefore, should be funded through capital appropriations and not be dependent upon student fees, the primary backing for academic revenue bonds.

The Board Office recommended that the Board of Regents continue its leadership role in energy management and that this leadership be recognized through appropriating funds to the Board of Regents for allocation to the institutions. It anticipated a significant savings by the beginning of the 1983-84 fiscal year. It noted that decisions will need to be reached on how the savings are to be applied. The state will have the option of reappropriating the savings to the board for use in furtherance of the energy management program. It was noted that the board should maintain control of its own program on the assumption that this program is no different than any other type of capital program and that it can be best managed by the board for institutions under its jurisdiction. The Board Office said it was also important that the Board of Regents continue to have close consultation with the Energy Policy Council which runs the programs for all state buildings except the Board of Regents and the Department of Transportation.

Mr. Richey indicated that the purpose of the recommendation was to make a direct appropriations request and to indicate to the state that the board is conscious of this program and that it is important.

MOTION:

Mr. Bailey moved that the board request \$2,485,000 - \$656,000 for 1981-82 and \$1,920,000 for 1982-83 - in capital appropriations to carry forward the energy management program of the board and that the board indicate its desire that energy management appropriations continue to be appropriated to the Board of Regents for allocation among the institutions. Mr. Neu seconded the motion and it passed unanimously.

The capital programs of the board are as shown:

CAPITAL PROGRAM REQUESTS - 1981-83
State Board of Regents

(\$000)

<u>Institution</u>	<u>Financing Possibility</u>	<u>Project</u>	<u>Project Request</u>
<u>Program A - Emergency Needs and Safety Programs</u> (Listed in priority order)			
UNI/SUI/ISU	A	Fire Safety Deficiencies--State Fire Marshal UNI \$ 825 SUI 2,000 ISU 2,000	\$ 4,825
UNI	A	Turbine Generator Supplemental Funding and Electrical System Improvements	1,330
SUI/ISD	A	Handicapped Accessibility Program Improvements SUI \$ 515 ISD 35	550
IBSSS	A	Raze Old Power Plant Stack and Ash House	75
SUBTOTAL -- Program A			<u>\$ 6,780</u>

Program B - New Construction, Remodeling, and Equipment
(Listed in priority order)

ISU	A or B	Equipment and Utility Improvements for Renovated Old Veterinary Medicine Quadrangle Equipment \$ 715 Utility Imprvmts. 305	\$ 1,020
ISU	A or B	Library Addition Equipment	1,520
UNI	A or B	Russell Hall Renovation	500
SUI	A or B	Communications Facility--Construction (w/o equipment) of 47,310 GSF	6,295
SUI	A or B	Theatre Addition--Construction (w/o equipment) of 43,135 GSF	5,645

A - Appropriations
B - Bonding (Academic Revenue)

(Program B continued)

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<u>Institution</u>	<u>Financing Possibility</u>	<u>Project</u>	<u>Project Request</u>
ISU	A or B	Gilman Hall Renovations-- Phase I	\$ 3,000
ISD	A	Recreational Program Improve- ments a) Pool Expansion \$ 90 b) Recreational Bldg. 1,115 and Equipment (18,000 GSF)	1,205
ISU	A or B	Mechanical Engineering, Engi- neering Science and Mechanics-- Construction with equipment of 95,450 GSF	\$15,420
UNI	A or B	Communication Arts Center-- Construction, Final Phase (w/o equipment) of 67,000 GSF	6,530
UNI	A or B	Remodeling--Two Buildings a) Wright Hall \$ 945 b) Sabin Hall 150	1,095
ISU	A or B	Retrofit Old Veterinary Clinic Space for use by Industrial Education--Planning only	200
SUI	A or B	Law Building--Construction (w/o equipment) of 181,600 GSF	21,235
SUI	A or B	Chemistry/Botany Remodeling	3,390
SUI	A	West Campus Roadway	<u>1,430</u>
		SUBTOTAL -- Program B	<u>\$68,485</u>

Program C - Utility System Needs
(Listed in priority order)

ISU	B	Heating Plant Improvments-- Final Phase	\$ 720
SUI	B	Sanitary and Storm Sewer System Replacements--West Campus (2 projects)	1,150
UNI	B	Steam Distribution System Improvements (4 projects)	1,315

<u>Institution</u>	<u>Financing Possibility</u>	<u>Project</u>	<u>Project Request</u>
ISU	B	North Campus Storm Sewer-- Phase II	\$ 600
IBSSS	A	Utility System Improvements	150
SUI	B	Oakdale Electric Distribution System Improvements	1,860
SUI	B	Miscellaneous Power Plant Reno- vations	240
SUI	B	Replace Steam Line--University Theatre to Music Building	335
ISU	B	Primary Electric System Revisions and Improvements	1,090
SUBTOTAL -- Program C			<u>\$ 7,460</u>
<u>Program D - Statewide Health Services</u>			
SUI	A	University Hygienic Laboratory-- New Addition--Oakdale Campus-- Planning only	\$ 220
SUI	B	Chilled Water Plant--Phase IV	<u>1,680</u>
SUBTOTAL -- Program D			<u>\$ 1,900</u>
TOTAL CAPITAL PROGRAM REQUEST			<u>\$84,625 *</u>

* Suggested financing of \$34,925,000 in appropriations and \$50,000,000 in new academic revenue bond authority (includes estimated \$300,000 add-on for bond issuance cost). Financing is flexible to extent that \$9,785,000 is minimum amount in request which should be funded from appropriations -- meaning that new bonding authority could finance the remainder of the request (\$74,840,000) plus issuance costs.

SPECIAL PROGRAM REQUESTS

	<u>1981-82</u>	<u>1982-83</u>
Energy Management Program (capital appropriations to board)	<u>\$ 565,000</u>	<u>\$1,920,000</u>
Tuition Replacement Bonding Program		
Existing Bond Authority	<u>\$3,900,000</u>	<u>\$3,750,000</u>
New Bond Authority of \$50 M *	<u>\$ 90,000</u>	<u>\$ 875,000</u>

* Amount required is based on \$50,000,000 new bonding authority. Amount needed would vary, based upon any deviation in authority approved.

BOARD OFFICE BUDGET - 1981-83 BIENNIUM REQUEST. It was recommended that the board approve a budget request of \$646,655 for 1981-82 and \$671,667 for 1982-83 with the understanding that salary adjustments will be requested at a later time. It was also recommended that the board approve the 90% base budget adjustment.

The Board Office explained that the adjustments to the 1980-81 preliminary Board Office budget presented in June were as follows:

1. The executive secretary salary was set at \$41,200;
2. There was a correction of income for salary adjustment fund from \$22,722 to \$33,311;
3. There was an adjustment in the telephone budget to reflect an anticipated 30% increase on November 1; and
4. There was a \$1,000 adjustment from equipment to general office and office travel, respectively, to reflect more accurately actual anticipated costs.

The proposed budget request for the 1981-83 biennium was based on 3% merit increases for employees, 9% price inflation for non-salary items, and the restoration of budget cuts to reach a 90% base budget. The number of personnel positions in the Board Office would remain unchanged with the understanding that there is a possibility of some reorganization to take care of deficiencies in one of the units in the office. The number of personnel and the amount of salary paid would not change because of the reorganization.

The proposed cuts to reach base budget of 90% of the 1980-81 budget are shown here in priority order. Merit increases are to be included in the 90% base.

Suggested Cuts to Reach 90% Base

	<u>1981-82</u>	<u>1982-83</u>
Associate Budget Director	\$36,849	\$38,004
Travel	500	525
Telephone & Other Expenses	315	330
	<u>\$37,664</u>	<u>\$38,859</u>
Merit Examination Program Administrator	\$23,643	\$24,353
Travel	400	420
Telephone & Other Expenses	315	330
	<u>\$24,358</u>	<u>\$25,103</u>
Secretary II Position	\$13,510	\$14,180
Other Expenses	315	330
	<u>\$13,825</u>	<u>\$14,510</u>
Equipment	\$ 2,000	
Salary Turnover	<u>2,734</u>	<u>2,109</u>
TOTAL	<u>\$80,581</u>	<u>\$80,581</u>

MOTION: Mr. Brownlee moved that the board approve the revised budget for 1980-81; approve the budget request of \$646,655 for 1981-82 and \$671,667 for 1982-83 with the understanding that salary adjustments will be requested at a later time; and approve the 90% base budget adjustment. Mr. Shaw seconded the motion and it passed unanimously.

STATEWIDE APPROPRIATIONS REDUCTION OF 3.6%: IMPACT ON REGENT INSTITUTIONAL OPERATIONS. The Board Office reported that on August 12, 1980, the Governor ordered a 3.6% cut in appropriations for all general fund operating units. The following table summarizes, by appropriation unit, expected reversions. The Regent appropriation base for 1980-81 is \$262 million. Appropriations reversions are expected to amount to \$9.4 million.

<u>Appropriation Unit</u>	(000s omitted)	
	<u>1980-81 Appropri. Base</u>	<u>3.6% Reduction</u>
UNIVERSITY OF IOWA		
General University	\$ 95,515	\$3,438
University Hospitals & Clinics	21,782	784
Psychiatric Hospital	4,600	166
State Hygienic Laboratory	1,785	64
Hospital School	3,283	118
Oakdale Campus	1,856	67
IOWA STATE UNIVERSITY		
General University	\$ 78,412	\$2,823
Agricultural Experiment Station	8,872	319
Cooperative Extension Service	8,463	305
UNIVERSITY OF NORTHERN IOWA	\$ 31,535	\$1,135
IOWA SCHOOL FOR THE DEAF	\$ 3,823	\$ 138
IOWA BRAILLE AND SIGHT SAVING SCHOOL	\$ 2,111	\$ 76
	<u>\$262,037</u>	<u>\$9,433</u>

The University of Iowa general university may be expected to revert \$3,438,000 with the following pattern of reversion:

Salary Savings from Hiring Reductions	\$1,600,000
Capitation Grant Loss Non-replacement	88,000
Supplies & Services Reduction	400,000
Building Repairs Reduction	700,000
Equipment Acquisition Reduction	500,000
Government Compliance Slowdown	150,000

The Oakdale Campus at the University of Iowa has a reversion requirement of \$67,000. This is expected to be met through further limiting hiring and deferring some planned expenditures. Wages saved through hiring controls will amount to \$50,000. Deferred equipment expenditures will amount to \$17,000.

University Hospitals at the University of Iowa has an anticipated appropriation reduction of \$784,000. It is anticipated that through an adjustment of expenditure patterns the loss of state appropriations can be directed to program elements that will not require a reduction in county quotas of indigent patients. The reverted appropriations will be met through reduction of purchases of some appliances, devices, and supplies for indigent patients. It will also be offset by deferring some equipment replacement and building repairs. This particular pattern of reduced expenditure cannot be accommodated except on a short-term basis. Reversion beyond 1980-81 might affect the University Hospitals' ability to maintain current county quotas.

An anticipated reversion of \$166,000 at Psychiatric Hospital at the University of Iowa is expected to be met by \$127,000 in salary savings from hiring controls and \$39,000 in equipment and building repairs. It was indicated that the staff curtailments will mean reduced physician and other professional staff time available for services which would result in a change in the quality and quantity of services normally available for inpatients and outpatients.

The University of Iowa's Hospital School's share of the appropriation reversion is \$118,000. The total anticipated reversion is expected to come from forced salary savings because of the unusual need for the school's equipment modernization and renovation program. Lost salary dollars will impact inpatient care, functions and activities in the community workshop and courses program activities. The quantity of services that can be offered will also be reduced.

The University of Iowa Hygienic Laboratory is expected to revert \$64,000. Of this \$36,000 will be from salary savings and \$28,000 will be from supplies and services. The net effect of the reversion will be to eliminate the service of the pre-marital syphilis serology program. Other related services related to screening and controlling syphilis are not included in the curtailment of this program.

Total reversion requirements for the general university at Iowa State University are \$2,823,000. The following items represent the proposed distribution on the reversion.

Energy Conservation Program - Reduce Consumption	\$600,000
Reduce Equipment Budget - 40%	408,000
Reduce Building Repairs - 40%	484,000
Reduce Instructional and Research Computing	80,000
Reduce Supplies & Services - 3%	304,000
Reduce Library Book Purchases - 5%	102,000
Freeze Positions above Pre-budgeted Salary Levels - 1%	844,831

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The institution indicated that the reversions very definitely will impact the programs of the university. It reported that the one-year reversion would have the effect of negating any improvement that might have been affected over the years through the appropriation process.

The Agricultural and Home Economics Experiment Station at Iowa State University has an expected reversion of \$319,000. Forced salary savings are expected to account for \$193,000, while supplies and services will be reduced \$86,000. Equipment purchases will be reduced \$25,000 and building repairs to be deferred will amount to \$15,000. The savings will impact the experiment station's field laboratory, soil conservation, and energy research programs.

The force salary savings include reduction in support for graduate assistants which may affect progress toward degrees by existing assistants.

Planned reversions for the Cooperative Extension Service at Iowa State University include \$235,000 from positions left unfilled beyond pre-budgeted salary savings. Reduced supplies and equipment will account for the remaining \$70,000. The additional salary savings being induced will impact both professional and scientific and merit system employees.

Planned reversions at the University of Northern Iowa amount to \$1,135,000. The following table summarized expected reversions by category.

Salary and Wage savings beyond those pre-budgeted	\$495,000
Energy savings	65,000
Supplies & Services reduction	104,000
Library Acquisition deferrals	26,000
Equipment Purchase deferrals	164,000
Building Repair deferrals	281,000

The planned reversions at expected to affect directly or indirectly most of the institutional programs at the University of Northern Iowa.

A 3.6% reversion at Iowa School for the Deaf will cost the institution \$138,000. The reversions will include \$27,000 in salary savings beyond those pre-budgeted, \$76,000 in reduced supplies and services, and \$35,000 in deferred building repairs.

The planned reversion at Iowa Braille and Sight Saving School is \$76,000. An estimated \$45,000 will be reversed by not filling three vacant faculty positions. The remaining \$31,000 will be reverted from deferred equipment purchases. The institution tried to minimize any disruption that might occur from reduced levels of planned support.

The Board Office summarized that on a \$262 million state appropriation base, Regent institutions have planned appropriation reversions of \$9.4 million. A rough approximation of the impact by standard program classification showed almost three-quarters of the total reversion impacting on instruction and physical plant operations, two of the largest programs within the institutions in terms of total resources applied. Physical Plant operations also include all building repair funds which tends to emphasize the impact on that program.

The Board Office said that it would meet the 3.6% reversion of appropriated funds by temporarily leaving vacant the positions of the Merit Examination Program Administrator and the Director of Employment Relations. The amount of the reversion for the Board Office is \$14,015.

President Petersen received the report on behalf of the board.

REPORT ON LONG-RANGE ACADEMIC PLANNING. It was recommended that the board approve a conceptual framework for Regents' information and decision making for planning; encourage further development of institutional long-range academic plans along the lines approved by the Board of Regents in 1976 entitled "Long-Range Planning Under Conditions of Uncertainty;" and review and approve (or modify) the recently submitted institutional capstone and summary statements as the Regents' current long-range planning assumptions for the three universities.

The Board Office noted that in August the recommendations listed above were referred to the Interinstitutional Committee on Educational Coordination for review. In general, the committee felt that the recommendations and report were "excellent and endorsed it"...with only minor reservations." These are noted below.

The committee suggested the use of the phrase "Capstone Statements or Summary Statements" instead of "Capstone Statements." It noted that the term "Capstone Statement" was used by the University of Northern Iowa but that "Summary Statements" seemed to be more descriptive of the presentations of the other two universities.

The committee suggested it would be more appropriate for the board to review and accept these statements rather than to approve or modify them. It was noted that the board may want to reserve judgment on some of the proposals in the statements until they come forward.

The committee agreed with the Governor's Economy Committee suggestion about more integration of the capital plan with the program plan of the institutions. It expressed the caveat that, except for some highly specialized facilities, it is important to bear in mind that program uses of buildings often change once or twice during their lifetimes.

The committee said the flow chart prepared by the Board Office was a reasonable portrayal of how the academic planning process of the institutions is reflected in budget priorities, including essential program adjustments and capital requests.

The Board Office has changed the title of the university planning statements to "Capstone and Summary Statements." With respect to the committee's second suggestion, the Board Office recommended leaving the words "approve or modify" but adding a caveat that approval of the statements does not constitute approval to implement any specific programs, since these would still need to go through the established Regental approval process. Approval of the statements would, however, constitute approval to develop a proposal for a new program. This process would give the Regents an opportunity early on to indicate concerns about a particular program which is being considered by the universities for proposal to the Regents. This would provide two opportunities for review, one at the planning stage (i.e., approval to plan) and one at the approval stage (i.e., final approval).

With respect to "propositions and ideas" mentioned in the statements that have to do with the major planning assumptions of the university, the Board Office recommended that the board should "approve" these because they are supposedly the basic assumptions underlying the universities' plans for the future.

With respect to the third item raised by the committee, the Board Office felt that adequate interaction does take place on each campus between the academic units and facilities planners to ensure adequate integration of the capital and academic plans.

The committee noted a problem of different data formats and procedures and the Board Office agreed that it should work with the committee to develop a "standard data format."

President Petersen noted that there had been some revisions in the planning document and that a capstone statement for Iowa State University was now included. She said the document was an appropriate one to demonstrate the long-range planning process.

Regent Bailey said he was in agreement with the Interinstitutional Committee on Educational Coordination about the action the board should take but wanted to accept the long-range planning document as a report rather than approve it. He felt that approving it would commit the board to matters it has not adequately considered individually and was concerned about dovetailing of various institutional projects. President Petersen found this proposal a bit troublesome. She said there was no problem in approving the report because of the understanding that program proposals would come before the board in the usual review process and would be judged on their own merits at that time. She said approval of a long-range planning document would not commit the board to a particular program at a later time.

Regent Bailey said that at this point he was not ready to approve everything in the document.

MOTION: Mr. Bailey moved that the board accept the long-range planning document as a report. The motion failed for lack of a second.

President Petersen said the board should not approve the first part of the document. She pointed out that it is a planning document and spells out a concept and diagrams the planning process. She said this should be the adopted concept of the board.

Mr. Richey suggested that the board approve the conceptual framework and encourage further development of institutional long-range academic plans along the lines approved by the board in 1976 and then accept the report on reviewing and approving (or modifying) the institutional capstone and summary statements, that this would address both President Petersen's and Regent Bailey's concerns.

MOTION: Mr. Bailey moved that the board approve the conceptual framework for Regents' information and decision making for planning; encourage further development of institutional long-range academic plans along the lines approved by the board in 1976 entitled "Long-Range Planning Under Conditions of Uncertainty; and accept the report on the institutional capstone and summary statements at the three universities. Mr. Wenstrand seconded the motion and it passed unanimously.

RESIDENCY CLASSIFICATION APPEAL. It was recommended that the board approve the recommendation of the Interinstitutional Registrars' Committee and the University of Iowa Resident Review Committee to deny residency status to David L. McLain.

The Board Board Office explained that David L. McLain was classified as a nonresident upon his admission to the University of Iowa. He appealed the decision of the Registrar to the University of Iowa Resident Review Committee which upheld the nonresident classification. He asked that his case be referred to the Board of Regents.

According to the present residency rules of the board, the Board Office said this was a relatively clear-cut case based on regulations specifying that a person that has been out of the state for more than one year must be back in the state for twelve consecutive months prior to

resident classification. Mr. McLain was out of the state for eighteen months and was told he could have resident classification after twelve months back in the state. He did not feel this was proper and asked for resident classification upon his first enrollment at the university which was in January 1980.

The Board Office recommended that the appeal of Mr. David L. McLain for residency status for tuition purposes be denied.

President Petersen noted that Mr. McLain's appeal had gone through the regular appeal process.

MOTION: Mr. Bailey moved that the board deny the appeal of Mr. David L. McLain for residency status for tuition purposes. Mr. Shaw seconded the motion and it passed unanimously.

ADMISSIONS RULES COMMON TO THE THREE STATE UNIVERSITIES. It was recommended that the board approve the proposed revisions in the admission rules common to the three state universities.

Revisions of the admission rules (Iowa Administrative Code 720, Chapter 1; Regents Procedural Guide, 6.01) were proposed by the admissions directors at the request of the Committee on Educational Relations. The revisions were approved by the Committee on Educational Relations and the Inter-institutional Committee on Educational Coordination. An early draft of the proposed rules was reviewed by Casey Mahon and Arthur Bonfield of the University of Iowa.

The proposed revisions will:

1. Revise the wording and sequence in several sections for greater clarity.
2. Delete all references to "he" or "his."
3. Clarify requirements for test scores to be submitted in support of applications.
4. Add provisions for part-time university study for high school students with superior academic records and for the admittance of exceptional students before the completion of high school.
5. Clarify the policies for transfer applicants who do not have a "C" average, and for transfer applicants with fewer than twelve semester hours of college credit.
6. Add a new section (III) on transfer practices. This section includes some of the information previously incorporated in the section on admission of transfer students, but adds informative detail and clarification. The new section adds components on students from

- colleges and universities with candidate status and on students from foreign colleges and universities.
7. Delete section on application deadlines, which is not necessary with current practices.

The Board Office said the proposed revisions appeared to provide informative clarifications and to permit the retention of desirable flexibility and recommended their approval.

The Board Office expressed a concern with that fact that the currently filed rules have not been the rules that the three universities have been following. As early as four years ago, the Board Office requested that the rules be made consistent with current practice and the changes were just now being made. The Board Office hoped that in the future the universities would not implement changes in their admission practice until appropriate changes in the rules have been approved by the board and adopted through the administrative rules process.

Regent Shaw wanted to make sure that the board would not be intending to or actually lowering admission standards by approving the proposed revisions. He observed that very few standards have been set forth and that some highly discretionary decisions are made by admissions officers.

Mr. Richey said that the proposed revisions had been reviewed by the state expert on administrative rules who found them acceptable. He agreed that the rules do allow a high degree of discretion.

Regent Shaw did not think that the universities should keep up enrollments by lowering admission standards. Mr. Richey said that issue was a separate question that would be before the board. He said the proposed rules would perpetrate existing practice.

President Petersen noted that the rules would clarify some aspects which were not very well spelled out before and that they would identify where discretion could be used. She noted that there had been some concern about accessibility by some groups of people.

MOTION:

Mr. Shaw moved that the board approve the proposed revisions in the admission rules common to the three state universities (Iowa Administrative Code 720, Chapter 1; Regents Procedural Guide, 6.10). Mr. Wenstrand seconded the motion and it passed unanimously.

APPEAL REGARDING FACULTY MEMBER. It was recommended that the board deny the appeal to students at Iowa State University regarding a faculty member in Zoology in Iowa State University.

The Board Office said that two students at the university appealed for a review of actions by a student faculty committee and the administration of Iowa State University regarding a grievance filed by them against Professor John Baker of the Department of Zoology.

On March 4, 1980, Professor Baker gave a lecture dealing with scientific creationism in a class entitled Biological Evolution 303 (Section A.) Several students objected to the lecture and requested that Dr. Baker "recognize before the class and in writing the following: that your use of class time was irresponsible and unprofessional, and that your class presentation was unobjective, used for promoting your own religious beliefs." Dr. Baker did not agree with this assessment of his lecture.

Appeals were made at the departmental, college, and university levels at the university requesting that Dr. Baker be reprimanded and/or dismissed for his remarks. At each level of review, the requested action was found to be inappropriate.

The Board Office staff concluded that appropriate due process fair hearings were accorded to the students by the Student-Faculty Committee to Hear Grievances and by appropriate administrators. It said the written record was sufficient to reach a judgment at this time on the appeal without further oral or written presentations. The Board Office recommended that the appeal be denied.

MOTION:

Mr. Brownlee moved that the board affirm the university decision and deny the appeal by students at Iowa State University regarding a faculty member in Zoology in Iowa State University. Mr. Bailey seconded the motion.

Regent Shaw asked about the procedure in denying a hearing. Mr. Richey explained that the students had a right to ask for a hearing and that it was the board's right to deny it. President Petersen said that the board's only responsibility was to consider the appeal. She said that according to the Procedural Guide, if the board grants a hearing, it shall be conducted in the manner prescribed by the board. She emphasized that the rules say "if the board grants a hearing" and said this indicates that the board may use its discretion in granting a hearing. She noted that the motion to to deny the appeal and affirm the university on the written record.

Regent Shaw said there was an issue of confidentiality and noted that there was a lot of hearsay evidence in the written material. He said this was as much a danger to academic freedom as the allegations made

against the faculty member. President Petersen said this concern was addressed by the action proposed. Vice President Christensen said the material in the record was provided by Dr. Baker and that since he made it public, the university felt free to provide the information to the board.

VOTE ON MOTION: The motion passed unanimously.

APPOINTMENT OF COUNSEL FOR THE UNIVERSITY OF NORTHERN IOWA. It was recommended that the board recommend to the Attorney General that Robert D. Fulton be appointed legal counsel to represent the University of Northern Iowa in all matters except collective bargaining and related responsibilities.

The Board of Regents was requested by the State Executive Council to recommend to the Attorney General its choice of legal counsel to represent the University of Northern Iowa. The Attorney General has indicated that such legal services should be provided by outside counsel.

The name of Robert D. Fulton, an attorney in private practice in Waterloo, Iowa, was discussed with the Attorney General and the President of the University of Northern Iowa. It was agreed that Mr. Fulton is an experienced attorney who could represent the university with a high degree of competence.

The Board Office recommended that the board recommend to the Attorney General that Mr. Fulton be appointed as legal counsel to represent the university.

MOTION: Dr. Harris moved that the board recommend to the Attorney General that Robert D. Fulton be appointed legal counsel to represent the University of Northern Iowa in all matters except collective bargaining and related responsibilities. Mr. Neu seconded the motion and it passed unanimously.

REPORT ON MEETING OF IOWA COORDINATING COUNCIL FOR POST-HIGH SCHOOL EDUCATION. It was recommended that the board receive the report on the September 4, 1980, meeting of the council and nominate two persons representing the Regents to serve on the Coordinating Council committee to study reciprocity.

The Board Office presented a brief summary of the first meeting of the 1980-81 year of the council.

The Council received a Treasurer's Report from Don Duthenbert which indicated a surplus balance. Dr. Ruthenberg recommended that the council reduce its fee per member to \$150. The council also received a report on an auditing committee, which favorably reviewed the treasurer's work during the past year.

A Nominating Committee, consisting of Peter Wenstrand, Robert Benton, and Leo Nussbaum, was reappointed to nominate someone to fill a vacancy in the representation from the area schools and community colleges.

Willis Wolff provided a report on the activities of the Coordinating Council Data Collection Committee. She distributed copies of the College Aid Commission's latest Data Digest on Postsecondary Education. Mrs. Wolff indicated that the College Aid Commission is now contracting with the Department of Public Instruction to computerize the fall HEGIS data collection in Iowa. The council approved Mrs. Wolff's continuing to represent the council as the SHEEO/NCES Communication Net representative for Iowa.

Charles Moench, Department of Public Instruction (DPI), reported that DPI has applied for a capacity building grant to approve its data collection activities for the area schools and community colleges. A small portion of the grant would be used by the College Aid Commission to continue its work in computerizing the fall HEGIS Reports.

The Council heard a report on last year's activities of the Continuing Education Coordinating Committee, composed of representatives from all four segments of postsecondary education in Iowa.

Forrest Van Oss, Coordinator of Lifelong Learning Project in Iowa, gave a report concerning activities of that project. He indicated that money from the Comprehensive Planning Grant (\$47,952) is assured, at least through June 30, 1981. Funding for the Education Information Centers Program has not yet been received, but written notification is expected shortly concerning the receipt of these grants. Until the new higher education act is passed and money appropriated, the status of the functions which the above two grants now fund will be cloudy. The Secretary of Education has requested that Operation 1981 be under the present law, since the new act hasn't been passed yet.

Robert Barak reported that in December 1978, the council approved a recommendation of an Ad Hoc Reciprocity Study Committee, indicating that a comprehensive reciprocity study be undertaken in 1980 to respond to requests from the legislature for the council's position on the proposed Midwest Regional Education Compact. It was agreed that the study should be conducted this year by the council. Chairman Petersen requested that each of the four segments nominate two persons to serve on this committee.

The council heard a report from Don Ruthenberg and William Farrell regarding an update on federal legislative developments.

New programs were received by the council from Iowa State University. These included the Bachelor of Science degree, Major in Surveying; Bachelor of Fine Arts in Art and Design; Master of Agriculture; Master of Science in Transportation Planning; and the Doctor of Philosophy in History of Technology and Science. The council also received reports on a number of new programs being proposed by the area schools and community colleges.

President Petersen opened discussion by noting that the Iowa Coordinating Council has lost its vice-chairman and that recommendations for a new one are needed from the institutions.

With respect to the reciprocity study, President Petersen said the council had indicated to the Legislature that it would respond to a number of concerns expressed about various reciprocity and compact arrangement. She noted that the committee was unable to proceed until statistics were available and a report by a national education study group was completed. She said this report would soon be out. She said the board must commit itself to doing some serious work on the reciprocity study and that two people were needed - one from the policy level and one from the technical level. She asked board members and the institutions to consider this and make their suggestions to her or Mr. Richey before the next council meeting. President Petersen noted that those previously serving on the committee were Mr. Barak, Vice President Christensen, and herself.

President Petersen said the Coordinating Council would be represented at the Legislative hearing on long-range planning and what mechanisms there are in the state for doing this.

President Petersen received the report on behalf of the board.

REPORT ON MEETING OF COLLEGE AID COMMISSION. Regent Bailey gave an oral report about the meeting of the College Aid Commission. The commission approved using about \$9,000 of comprehensive planning money this year for workshops related to attracting and retaining adult learners. He said hopefully this would include top people from the institutions.

The commission approved increased the base amount of tuition grants. The maximum amount, which was previously \$1,700, was changed to \$1,900 to be proposed to the Legislature. This would increase to \$2,100 in 1983. The commission discussed the concept of full funding, meaning it would hope to have enough funds so that all students could be given the amount they appear to warrant. As things stand now, some applicants are denied funds because of a lack of funds, even though a good case can be made for them.

Another proposal made to the commission was that \$250 be grant to each private college student without any need requirement. The commission turned this proposal down.

On the scholarship program, the commission voted to increase the maximum amount from \$6,000 to \$8,000. It also approved giving \$1,000 to all persons qualifying on a scholastic basis without reference to need. Regent Bailey said he was opposed to this proposal. He said that historically these awards have been based on need in addition to scholastic requirements. He said this will mean that all persons qualified for a certificate would receive the money. He based his opposition on using taxpayers' money to provide awards, especially at this time.

In the vocational technical program there is a tuition grant for all persons who can show need which is based on a sliding scale depending on the amount of the need. The College Aid Commission staff proposed that this program be extended to include college parallel students as well as vocational technical students. The commission approved this proposal with Regent Bailey opposed. Regent Bailey noted that there have been suggestions that the Board of Regents take a position. Regent Bailey noted that there have been suggestions that the Board of Regents take a position supporting some of the positions held by the College Aid Commission. He mentioned his reasons for opposing extending the tuition grants to college parallel students.

He said that when the community colleges were set up, the basic concept involve was the vocational technical aspect. The college parallel aspect began because it was something the community colleges could do. In his judgment, it was the Legislature's intent to amplify the vocational-technical emphasis of the community college program. Regent Bailey said that the community college student is already in the most subsidized program in the state and that these students have the least expenses. The proposal would provide additional subsidization. The students' own contributions would be very minimal with the result they do not have any investment in their education. Regent Bailey said it was good for the students to contribute to their education so they would value it and make the most of their programs. He suggested that if the community colleges receive this type of scholarship for their college parallel students, the state universities would be in a position to receive something similar.

President Petersen pointed out that the institutions receive funds from the Legislature in terms of student aid. Regent Bailey said this is taken from tuition and would not equal the amount of the differential. He said the amount of the differential would be the highest cost of the community colleges and the lowest cost of the three state universities.

President Petersen said that there would be an indepth report on the various elements of the Legislative program in December. The Coordinating Council will also review this. At that time the board can take positions on the various proposals that have come forward.

ACCREDITATION REPORT, STATE UNIVERSITY OF IOWA COLLEGE OF DENTISTRY.
It was recommended that the board accept the report of the Commission on Dental Accreditation of the American Dental Association on accreditation of dental, dental hygiene, and advanced dental educational programs at the University of Iowa.

The Board Office said that the University of Iowa was notified in May 1980 that the Commission on Dental Accreditation of the American Dental Association had adopted a resolution continuing the "approval" accreditation status of the dental, dental hygiene, and advanced educational programs in endodontics, orthodontics, pedodontics, periodontics, and fixed and removable prosthodontics. The commission also adopted a resolution to continue the "approval" accreditation status of the advanced educational program in oral and maxillofacial surgery, with the further stipulation that the program be limited to three entering residents each year. The next regularly scheduled site visit by the commission will be in seven years.

Some of the visiting committee's comments are summarized in the following sections with specific recommendations and suggestions developed by the site evaluating committee and endorsed by the Commission. Roman numerals are keyed to the commission's Requirements and Guidelines. Recommendations are listed by capital letters; suggestions for program enhancement are in numerical order.

In the area of administration, the visiting committee report indicated that the committee was most impressed with the knowledge that the president and other central administrators had about the activities and programs within the College of Dentistry and commended the president on his keen interest, intimate knowledge, and support of the college, and on his commitment to the concept of "one university," of which the College of Dentistry is an integral part. The committee was also impressed with the commitment and involvement of the basic science faculty in the academic programs of the college and suggested that they be included on student committees of the college. Regarding the administrative organization of the college, the report suggested that there appears to be excellent cooperation between the dean and other individuals involved in the administration of the college and that all are well informed about each other's activities and responsibilities. It also stated that there appears to be excellent communication and cooperation between the College of Dentistry administration and the departmental chairpersons, faculty, students, and staff. The committee report commented further on faculty pride in the college and an attitude of respect and friendliness pervading throughout the college.

In the area of admissions the committee was favorably impressed with the appearance and high degree of professionalism presented by students at all levels. The committee report stated:

- A. It is recommended that immediate steps be taken to implement an active recruitment program in an effort to increase the number of qualified applicants to pursue a dental career. In the event that the institution is not successful, consideration should be given to the following options:
- 1) increasing the number of qualified out-of-state students who are admitted;
 - 2) developing compacts with those states which do not have dental schools; or
 - 3) decreasing entering class enrollment.

The visiting committee felt that the physical facilities were adequate for the current programs in dentistry, dental hygiene, and the dental specialty programs and commented on the exceptionally well-maintained facilities. However, they cautioned that much of the major dental equipment purchased about seven years ago will need to be replaced in the future. The committee concurred with several collegial recommendations. It commented on scheduling constraints which sometimes interfered with the planning of meaningful educational experiences for dental hygiene students. The report stated:

- B. It is recommended that plans be formulated to ensure that resources are available to replace major clinical equipment over the next several years, as obsolescence and performance experience dictate.
1. It is suggested that efforts be continued to maintain the outstanding atmosphere and high quality of facilities and maintenance.
 2. It is suggested that the needs of the dental hygiene program be carefully considered in allocating and scheduling clinical space.

In the area of financial operating, the visiting committee indicated concern with the leveling off of collegiate earnings combined with the imminent phase-out of federal capitation and increasing inflation pressures. The committee suggested that the college may wish to consider enrollment reductions as a method to maintain quality education, although it recognized that such reductions may not be possible due to capitation commitments with the federal government at this time. The committee commented on the strength of the salary structure within the college, indicating that it continues to be in a competitive salary position, but expressed concern about the continuing impact of high inflation rates. The committee commented favorably on the high level of management skills within the administration of the college. The report stated:

3. It is suggested that, in cooperation with the central university administration, continued efforts be maintained to ensure fiscal stability for the college in consideration of the effects of inflation, the anticipated loss of federal support and the plateauing of collegiate earnings. More specifically, it is suggested that:

- 1) joint college and university efforts be undertaken to increase the general education fund;
- 2) supplemental appropriations be secured to relieve the now existent dependence on collegiate earnings;
- 3) the issue of increased tuition be considered with the hope that any increased revenues would be of benefit to the College of Dentistry;
- 4) continued efforts be made to encourage the solicitation of outside support for educational and research programs; and
- 5) gift-raising plans and activities be intensified, where possible.

The visiting committee noted that it was favorably impressed with the faculty's general, professional, and advanced education preparation and experience for teaching and research, as well as the fact that many of the new departmental chairpersons and faculty received all or most of their education at other institutions. The report recommended continued encouragement of clinical faculty in seeking certification by their respective national dental certifying boards. The committee suggested that the allocation of time and effort for junior faculty be reviewed continuously. The committee commented on specific needs for new faculty members, as noted in the recommendations.

- C. It is recommended that the Department of Family Dentistry be increased by one additional full-time faculty member, that one full-time dentist trained in dental radiology be added to the faculty and that the Department of Dental Hygiene be increased by one full-time equivalent faculty.
4. It is suggested that efforts be intensified to recruit and employ qualified faculty in the vacant budgeted positions in advanced fixed and removable prosthodontics; and two full-time faculty in advanced endodontics presently budgeted, but vacant.
5. It is suggested that technical assistance be provided to the advanced fixed and removable prosthodontic program in the form of one full-time ceramics technician.

The visiting committee noted the balance of innovative and traditional features in the curriculum and indicated its opinion that the curriculum committee functions well and manages curriculum issues effectively. The committee commended the institution on its program for rotations with a variety of hospital settings. It was recommended that students be provided with additional time to provide flexibility to remediate and to select curricular options for enrichment, leading to greater individualization of programs. The report stated:

- D. It is recommended that additional time be made available during all years of the curriculum to provide those students requiring additional remediation with opportunities to resolve problems and to allow elective (selective) courses to a greater extent than now exists.

The visiting committee noted improvements in communication between the basic sciences of the medical school and the dental faculty and complimented the administration for this effort. Some concerns were expressed regarding the teaching of several diverse groups in unified courses in basic sciences, but the committee complimented the basic science faculty for their sincere interest and efforts in course design. The committee commented favorably on the administrative encouragement of faculty members to gain advanced degrees in various sciences and the encouragement of students to attend seminars by well-recognized dental scientists.

The visiting committee expressed concern regarding the number of patients available to provide the variety and scope of necessary clinical experiences. The committee suggested that recommendations dealing with the resolution of this problem should have been made in the self-study. The committee commended those responsible for the manner in which patients are managed and students' accomplishments are monitored. Another area of concern was that of monitoring ionizing radiation. The committee indicated that the quality of clinical treatment is acceptable but that students would benefit by additional experience in some areas. It concluded that, in general, quantity was "more minimal than maximal" and reaffirm the 1973 recommendation that additional clinical experiences for each student should be provided.

- E. It is recommended that a qualified individual be identified and charged with the responsibility of implementing and monitoring a system on the use of all ionizing radiation in the school. It is also recommended that the dental Dean give full and complete responsibility and authority for establishing school-wide guidelines and policies on radiographic practices and for monitoring of use of ionizing radiation and x-ray equipment, monitoring quality control for radiographs and control of use of ionizing radiation to the Director of the Division of Radiology and that, in turn, this faculty member delegate responsibilities to trained radiological technicians. To completely implement a comprehensive program for monitoring and controlling radiographic quality and use, it is essential that the institution secure the services of a trained dental radiologist.
- F. It is recommended that efforts be directed to expand the patient pool in order to provide the types of patients needed to enhance the clinical programs.
- G. It is recommended that each dental student receive some experience in minor orthodontic treatment for the child and adolescent in conjunction with the Department of Pedodontics and/or minor tooth movement for adults in conjunction with periodontics and fixed prosthodontics.

6. It is suggested that in order to provide the opportunity for students to evaluate longevity of dental treatment some form of coordinate recall system be implemented.
7. It is suggested that given the quality of student and faculty, effort should be exerted to maximize the quality of restorative treatment.

The visiting team report commented that library resources for the college were judged by the faculty and students to be satisfactory, although some expressed a desire to have dental texts and current journals available in the College of Dentistry Building. The committee felt that the library resources available were impressive. It was felt that the Learning Resources Center was crowded and somewhat noisy.

The visiting committee noted that the research activities of the college have increased since the 1973 visit. It also noted that a significant number of the dental faculty have an advanced degree in basic science and are active in research. It was urged that interested dental students continue to be encouraged to undertake advanced training for work in scientific research. The committee commented that there seems to be a relatively small number of students able to enjoy a science research experience with present funding.

8. It is suggested that the Associate Dean for Research should apply for the recently legislated student research experience grant which could provide up to 32 stipends annually for interested students.

In regard to the Dental Hygiene Educational Program, the visiting committee noted that the population resource available for clinical experience is limited and recommended that, as the college identifies additional patients, a proportionate share of these be channeled to the dental hygiene students. The committee was impressed with the cohesiveness and coordination of instruction in the basic preparation program, and commended the department chairperson for her leadership in accomplishing a level of cooperation within the program. It suggested an increase from one and one half secretaries to two full-time secretaries. The committee commented on difficulties in scheduling clinical space for meaningful educational experiences for dental hygiene students but indicated that arrangements for shared support laboratory space adequately meets instructional needs.

The committee commended the department faculty for identifying learning experiences which require the utilization of library resources and indicated that the amount and frequency of student assignments requiring library work are commendable. It was recommended that the department faculty be increased by one full-time equivalent. The committee commented that the level of instruction in periodontics and pathology is above the minimum expected. It indicated, however, that the appropriateness of the Dental Materials course with respect to curriculum objectives should be assessed. The committee believed that the clinical experiences with patients who require difficult instrumentation are minimal, and recommended that, as more patients are identified, these experiences should be increased, and there should be increased interaction between the dental students and/or

graduate students and the dental hygiene students in providing patient care. The faculty was commended on the high level of instruction in community health and the success of placing graduates in the community setting. The committee also commended the efforts of faculty in integrating various aspects of dental hygiene education and in evaluation of all aspects of the curriculum. Some suggestions were made regarding recruiting and admissions.

The comments and concerns of the visiting committee on the Advanced Endodontic Educational Program are indicated by the following recommendations:

1. It is recommended that four additional operatories equipped with x-ray machines with walls appropriately lined to protect students and other personnel be made available to meet the needs of the advanced endodontic program.
2. It is recommended that an early meeting of representatives from the basic science and clinical specialty faculty be conducted to effect change in the present program; and, specifically, that the depth and scope of instruction be strengthened in behavioral sciences, biochemistry, head and neck anatomy and histology. It is further recommended that the biomedical sciences be structured to give comprehension and meaning to the clinical field of endodontics, and that written course objectives and content outlines be developed for the biomedical sciences portion of instruction.
3. It is recommended that advanced endodontic students be provided with opportunities to render care in the areas of replantation and transplantation, as indicated in the standards for this educational program.
4. It is recommended that the frequency of joint seminars between advanced endodontic students and other specialty disciplines be increased; and, further, that advanced endodontic students be assigned regularly to other specialty clinics to observe modes of treatment related to endodontics.
5. It is recommended that such a mechanism be established and implemented to ensure that students are apprised continually of their performance.

In the Advanced Oral and Maxillofacial Surgery Educational Program the committee noted that the planned remodeling would greatly enhance several aspects of the education program. Suggestions of the visiting committee included the following:

1. It is suggested that documentation of student performance be provided to all students who rotate to other services.
2. It is suggested that formal approval and arrangements with the Department of Medicine be formalized (for exposure of students in the area of physical diagnosis, presently being accomplished informally with the Department of Medicine.
3. It is suggested that the program director consider intensified utilization of the Veterans' Administration Hospital as a source for major surgical procedures, such as pre-prosthetic surgery.

The visiting committee indicated that the Advanced Orthodontic Educational Program adequately meets the Requirements and Guidelines for Advanced Specialty Education Programs in this specialty. The committee noted a strong, dedicated program director and faculty who are primarily full-time, excellent facilities and supporting staff, and a genuine interest in students, coupled with the necessary disciplined supervision.

The Committee noted that the Advanced Pedodontic Educational Program also meets the Requirements and Guidelines for Advanced Specialty Education Programs. It was indicated that the program was characterized by excellent participation of the program director and faculty; a commendable balance in the curriculum among didactic, clinical, research and teaching; a wide variety of pedodontic patients; matching postdoctoral pedodontic students' needs in the various types of treatment procedures and patients that are representative of pedodontic practice; teaching methodology which includes efforts to match the students' entering competencies with tailored instruction, as well as ongoing evaluation of students and faculty and excellent support from medical colleagues who express significant recognition of faculty efforts. Several suggestions were made for program enhancement.

The visiting committee indicated that the Advanced Periodontic Educational Program also adequately met the Requirements and Guidelines for Advanced Specialty Education Programs in this specialty. It commented that the program is characterized by excellent organization, supervision of students, excellent facilities, and unlimited research opportunities. It suggested that instruction be provided to advanced periodontic students in hospital wards.

In the Advanced Removable Prosthodontic Educational Program a recommendation was made for the addition of a full-time ceramics technician and the need to fill two vacant, budgeted faculty lines.

1. It is recommended that adequate instruction be required in radiology including cephalometrics in advanced removable prosthodontics.

A suggestion was made:

2. It is suggested that the faculty institute a viable recall program.

The recommended addition of a ceramics technician also relates to the Advanced Fixed Prosthodontic Educational Program. Other recommendations were:

1. It is recommended that radiology instruction which requires the inclusion of cephalometrics be provided to advanced fixed prosthodontic students.
2. It is recommended that minimal clinical requirements be established in maxillofacial prosthodontics and management of patients with congenital or acquired abnormalities.

The Board Office said the University of Iowa and the College of Dentistry should be congratulated for their continued success in achieving this accreditation status. It noted that a complete copy of the self-study and the evaluation report of the Commission on Dental Accreditation is on file in the Board Office.

The Board Office was commended for the work it did in summarizing the accreditation report and outlining the various strengths and weaknesses. Mr. Barak noted that the Board Office report was a joint effort between Elizabeth Stanely and himself. Mr. Richey said that Ms. Stanley is an excellent employee.

President Petersen accepted the report on behalf of the board.

APPOINTMENTS TO THE STATE EXTENSION AND CONTINUING EDUCATION COUNCIL.
It was recommended that the board approve the appointments listed below to the State Extension and Continuing Education Council.

As provided in the Procedural Guide, Section 1.09, the nominations were made by the university presidents. They will be appointed by the board for a three-year term. At least one council member for each institution will, at the time of appointment, have administrative responsibilities for the conduct of extension/continuing education work.

University of Iowa

Robert F. Ray, Dean of Continuing Education
M. Dean Zenor, Associate Dean, Division of Continuing Education

Iowa State University

Charles E. Donhowe, Dean of University Extension
Ralph E. Patterson, Jr., Director of Engineering Extension

University of Northern Iowa

Glenn Hansen, Acting Dean of Extension and Continuing Education
Virginia Hash, Acting Associate Dean of Extension and Continuing Education

MOTION:

Mr. Bailey moved that the board approve the appointments listed above to the State Extension and Continuing Education Council. Dr. Harris seconded the motion and it passed unanimously.

REPORT OF BANKING COMMITTEE. Regent Wenstrand gave an oral report on the Banking Committee meeting. He said the committee discussed criteria for selecting depository banks and that several lists were drawn up. He said that hopefully one of these will be used for a general guideline. This will have to be updated as services change.

The committee discussed the institutional treasurers' survey. The result of that survey have just been received.

He noted that the committee is having a difficult time with measuring cash management efficiency and that this is a continuing problem.

The committee received an annual report on investment income and return.

President Petersen received the report on behalf of the board and expressed appreciation to the board for its work.

BOARD OFFICE PERSONNEL REGISTER. The following action was shown on the Board Office Personnel Register and was recommended for approval:

Merit Increase:

Patricia M. Peters, Secretary II to \$11,359 annually (Grade 106 Step 8) after annual merit evaluation, effective 8/1/80.

Betty A. Sands, Secretary IV, to \$15,337 annually (Grade 111 Step 9) after annual merit evaluation, effective 8/15/80.

In the absence of objections, the actions shown on the Board Office Personnel Register were ratified.

NEXT MEETINGS:

October 15-16	Iowa School for the Deaf	Council Bluffs
November 13-14	University of North rn Iowa	Cedar Falls
December 17-18	Iowa State University	Ames
January 15-16	University of Iowa	Iowa City
February 19-20		Des Moines
March 12-13	University of Northern Iowa	Cedar Falls
	Iowa Braille and Sight Saving School	Vinton
April 16-17	University of Iowa	Iowa City
May 21-22	Iowa State University	Ames
June 18-19	Iowa Lakeside Laboratory	Okoboji

President Petersen pointed out that the dates of the May meeting had been changed in order to avoid some conflicts and to better accomodate the actions of the General Assembly.

President Petersen 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 Thursday, September 18, 1980

UNIVERSITY THEATRE ADDITION. It was recommended that the board hear a presentation on the schematic plans for the Theatre Addition by Abramovitz, Harris, Kingsland, New York, New York and approve the schematic plans for the project and the preliminary budget for use in the Regents' capital request.

The Board Office noted that the 1979 Legislative Session appropriated \$600,000 in capital funds for planning for space needs at the university in communications, an addition to the theatre, and a law building.

The board approved an agreement with Abramovitz, Harris, Kingsland, New York, New York, to provide architectural services on the Theatre Addition. Because of deauthorization of funds, the contract for architectural services can proceed only through the schematic design stage at this time. It is anticipated that approximately \$108,500 of the \$600,000 appropriated for planning these three buildings will be utilized for the University Theatre Addition schematic plans.

The schematic plans call for construction of a 43,135 gross square foot addition to be located next to and connected with the existing University Theatre on the Fine Arts Campus. In combination with that existing theatre, the building will house the Theatre Arts Division of the Department of Communications and Theatre Arts.

The total project budget was reestimated at \$5,754,500, of which \$108,500 was funded in the planning appropriation. The Board Office noted that a net capital appropriation request of \$5,646,000 is needed. Cost per gross square foot will be approximately \$133.41.

The present estimate of cost for the project is \$720,000 higher than the request made last session. The major reason for this is an increase of 6,267 net square feet in building size. The university explained that most of the increase was due to errors in estimates relating to building volume/gross ratios. Circulation space and storage space were significantly understated in the original budget. Some space was added to meet program needs of the Theatre Arts Division, as those needs became clearer as schematic planning progressed.

The capital appropriations amount was adjusted for inflation to the mid-point of the construction period and is the same amount used in the capital request. This is one of two buildings needed before Old Armory can be vacated and razed.

The Board Office noted that there will be an additional request to a later legislative session for furnishings and equipment. For planning purposes, 10% of the construction amount was used, or \$575,000. That amount is later adjusted by the actual equipment needs for a new facility based upon equipment lists, which takes into account reuse of existing equipment, etc. It is probable that the total cost of this project, including equipment and the prior planning appropriation, will be approximately \$6.4 million.

The Board Office said some of the areas which the architect should address included provisions for handicapped accessibility, including handicapped accessibility revisions in the existing University Theatre, and energy efficiency considerations.

Professor Samuel Becker, Chairman of the Speech and Dramatics Art Department; Professor Ray Heffner of the English Department; Professor David L. Thayer of the Speech and Dramatics Art Department, who served as faculty liaison; Mr. Dick Jordison of the University Architect's Office; and Mr. Richard Gibson, Director of Facilities Planning and Utilization, were present to assist in the presentation of the schematic plans by Mr. Abramovitz.

Professor Becker said he was very pleased to talk to the board about completing this project and getting people out of Old Armory. He noted that parts of the ceiling in Old Armory fell in during the past week. He also noted that the theatre program is currently spread out in five buildings around the campus.

Mr. Abramovitz distributed a brochure detailing the schematic plans for the theatre addition. He said that the unit pricing for the project is high because of the large, high energy spaces that are used. He also showed a model of the proposed addition.

Mr. Abramovitz said a series of studies were made about carrying on the original concept of the feeling of the river to complete the areas from the Museum through the Music School and Hancher Auditorium as far as possible. This consideration was dropped because the program is not large enough to do it well. Mr. Abramovitz said it was best to leave this area alone and make it possible for someone to do something in the future if that is desirable.

Mr. Abramovitz then showed several slides of the proposed addition. The first of these showed the addition in relationship to the water. He noted that the building was designed so that the ongoing mess behind it would be hidden.

Another slide was of Theatre A and Theatre B. He said the only light used would be that needed for theatre functions. They will be completely enclosed with boxes for students and faculty. There will be balconies to work from and for students to function as public to review their work. The theatres will be surrounded by functional offices on the lowest level. Mr. Abramovitz noted that the handicapped could easily access this area and that there would be an elevator for them to move up. In regard to mechanical space, he said there would be a series of corners that could be landscape and one to screen the air conditioning units from the back.

The next slide was of the entrance. There will be classrooms and a library on this level. It will also include the balcony levels for the existing theatre. Mr. Abramovitz noted that a sense of life and space was needed to minimize glare as much as possible.

In response to a question from President Petersen, Mr. Abramovitz indicated that it was not possible to pass from the addition to the other building on this level. Professor Becker pointed out that there would be an entry point on the lower level. To include access on the upper level would require too much new construction.

Another slide shown by Mr. Abramovitz illustrated the idea of added height. It also showed a recently devised technique of a lighting grid. This is a sort of screen which can be walked on making it possible to put light anywhere. This is a workshop in every way and will prepare students for any kind of experience. There are currently some of these grids in use and they have been very successful.

Mr. Abramovitz showed several slides of different views of the building. He noted that the addition would be light in color to match other buildings. President Petersen asked if there would be any attempt to have the addition match the existing building. Mr. Abramovitz said there would not be because of possible future activity. He said that there would be a feeling of unity in the background.

Regent Bailey recalled some problems of a few years ago with radio equipment becoming damp and asked how far in the ground the lowest level of the addition would be. The answer was about two feet. Professor Becker pointed out that it would not be as low as the basement of the present theatre. He noted that there is a real slope toward the water on the road. He said the westernmost part of the addition would hardly be in the ground at all. Regent Bailey urged that any problems in this regard be avoided.

In response to a comment by Regent Brownlee, Professor Becker said that the construction used would disadvantage the other building as little as possible. Mr. Abramovitz said the building would be a very simple project and did not think it could be built for a lesser amount.

Regent Bailey asked what kind of material would be used to build the addition. Mr. Abramovitz said it would be the same kind as used for the Alumni Building. The new structure will be reinforced concrete and will be supported by steel.

Professor Heffner said that many faculty members found the aesthetics of the 1935 building looking across the river and the effect of a contrast very pleasing. He noted there were other places on campus with a similar effect. He said the addition would be complementary to the University Theatre and that the faculty was very pleased with it. They were pleased to have preserved the river front vista of the building.

President Petersen suggested that a circulation pattern would be important to the intermingling of faculty and staff working on a variety of programs. Mr. Abramovitz agreed that perhaps the circulation pattern could be made more gracious.

MOTION: Mr. Shaw moved that the board approve the schematic plans for the project and the preliminary budget for use in the Regents' capital request. Dr. Harris seconded the motion and it passed unanimously.

The following business pertaining to the State University of Iowa was transacted on Friday, September 19, 1980.

HOSPITAL QUARTERLY REPORT. Mr. John Colloton, Director and Assistant to the President for Health Services, introduced Mary E. Fuller, Associate Director, and Clifford Eldredge, Deputy Director. Mr. Colloton distributed a document entitled "Quarterly Report to Iowa State Board of Regents, September, 1980."

Actions requested of the board were to accept the report, adopt a resolution, and approve bylaws revisions.

Mr. Colloton provided background information on a resolution proposed for board adoption. He said that since 1915, the University of Iowa Hospitals and Clinics have provided care for large numbers of indigent patients from throughout the State of Iowa. The patient care program for needy Iowans was legislatively conceived on the premise that Iowa should provide its medically indigent citizens access to quality health services at the state's only health science education center, located on the University of Iowa campus. This patient care program has been instrumental in the evolution of the University Hospitals into the state's only comprehensive tertiary-care center now serving Iowans from all economic walks of life. Additionally, the indigent care program has been crucial to the evolution of the state's broad, critically needed health science educational program centered at the University of Iowa.

To preserve access to health care services at the University Hospitals for indigent patients, said Mr. Colloton, and, in parallel, to provide for the future health care of Iowans through continued training of health professionals necessary to staff Iowa community health care programs in future decades, it is essential to maintain the integrity of the University Hospitals' state appropriation at or above present levels of purchasing power.

He noted that adoption of some form and scope of universal health insurance at some time during the 1980s will likely result in modification of the University Hospitals' indigent patient care program. While the indigent care program, will, of necessity, be perpetuated to cover "gaps" in universal health insurance, a portion of state funds now appropriated to support a broad program of indigent care at University Hospitals will possibly no longer be needed for that purpose. However, it is likely that Universal Health Insurance will not fully reimburse University Hospitals for certain educationally related costs now borne by the hospital budget. Accordingly, it was proposed that Chapter 255 of the Iowa Code be amended, at an appropriate time, to authorize expanded use of the appropriated funds for the support of University Hospital statewide community outreach services to Iowans, University Hospitals' medical and dental residency training programs and allied health practicums, and for completion of the hospitals' capital program designed to replace nonconforming facilities of early 1900 vintage.

To this end, the following resolution was proposed for the purpose of commencing the legislative initiative to achieve these goals:

WHEREAS an annual appropriation to the University of Iowa Hospitals and Clinics has been demonstrated to be essential to maintain the Hospitals' statewide comprehensive tertiary patient care and clinical training missions;

WHEREAS the comprehensive tertiary patient care center at the University of Iowa is essential to the state of Iowa's stratified health care delivery system which is predicated upon primary, secondary, and tertiary levels of capacity;

WHEREAS some state appropriation assistance is needed to complete the replacement of 285 nonconforming inpatient beds and other obsolete facilities which do not meet current accreditation and building code standards and which must be replaced to permit the hospitals to fulfill patient care and clinical training responsibilities;

WHEREAS there is a continuing need to support residency physician training and other clinical training at the University Hospitals in order to reduce health manpower shortages that exist throughout Iowa and to replace health personnel lost to Iowa communities through year by year attrition;

WHEREAS Iowa need and has benefited from many statewide community health service outreach programs (State Services for Crippled Children; Glaucoma Screening Program; Statewide Renal Dialyses and Transplantation Network, and many others) developed and maintained by the University Hospitals and its staff;

WHEREAS the future evolution of universal health insurance may reduce the need for indigent patient care for which the University Hospitals' state appropriation support has been solely designated; and

WHEREAS it is likely that universal health insurance will not fully reimburse teaching hospitals for certain hospital-based training and educational program costs now incurred;

THEREFORE BE IT RESOLVED that the Iowa State Board of Regents urges that the integrity of the annual appropriation to the University Hospitals be maintained at or above present levels of purchasing power; and

BE IT FURTHER RESOLVED that the Iowa State Board of Regents supports the future use of any portion of the appropriation not needed for indigent patient care at University Hospitals for underwriting unreimbursed costs related to clinical training programs of the University Hospitals; community outreach health service programs and capital replacement; and further urges legislative action by the Iowa General Assembly and the support of the Governor to authorize these alternate uses as universal health insurance evolves.

Mr. Colloton said it planned to use the resolution only so far as it is needed. President Boyd said that even though University Hospitals were not asking for funds at this time, that because of the magnitude of concern in this area, the hospitals' objective is to keep the Legislature apprised of the operation of the total entity.

Regent Bailey questioned even suggesting the alternative of nothing to the Legislature. He said the idea of national health insurance has been in the future for a long time and said the resolution would only have application if the national health insurance came into being.

Mr. Colloton there have been attempts in the Legislature to reduce the appropriations to University Hospitals. He cited an amended proposed capital appropriation bill in which it was proposed that \$5 million of University Hospitals' appropriations be funneled off to other areas of the state. He said it is time for University Hospitals to state its case at whatever level is appropriate.

President Petersen explained that the action of the board would be to adopt the above resolution which would make it a part of the approved policies of the board. It would then be communicated as appropriate.

Regent Shaw said the situation was too uncertain because it is not known what is going to happen. He said national health insurance has been discussed since 1936. He noted that neither political platform strongly supports national health insurance. He pointed out that in 95% of cases, the hospital is paid by someone other than the patient. He said if national health insurance does evolve, it will be paid for with tax money.

Mr. Colloton agreed that the question of national health insurance is uncertain but said the question of the needs of the University Hospitals is not uncertain. He said the hospitals need the support of the Legislature. He said that the hospitals were trying to practice preventive administration and said it was necessary to get the case in front of the people so that the fact is recognized that the hospitals have tremendous needs that require consistency of operations.

Mr. Richey understood the purpose of the resolution to be that when money is freed up and the indigent patient load is relieved, the hospitals would still want the measure immediately to apply to the freed up funds from the base level in the budget.

Mr. Shaw noted that the resolution was stated in terms of national health insurance and that it appeared to state that regardless of what happens, the hospitals should continue to receive the same amount of money. He did not necessarily agree with this.

Mr. Richey noted that the resolution was perhaps keyed too much to the evolution of a university health insurance program. President Petersen suggested that the resolution should address any insurance that would effect the University Hospitals

Mr. Colloton indicated that as time goes on, programs will be initiated at the federal level for needy citizens. He said it appears that there will be some movement in this area in the next two or three years. This would be one more step in the evolution of university. and an amount of dollars will be freed up. If that is the case, said Mr. Colloton, and the hospitals must replace beds, it would be reasonable for the board to take a position in a public way. He said that is the basic precept University Hospitals has been working with since 1970, rather than going to the Legislature for funding.

President Petersen suggested changing the language in the last paragraph of the resolution from "alternate uses as universal health insurance evolves" to "alternate uses as government health insurance expands." Regent Brownlee suggested striking the word "universal" in the sixth paragraph of the resolution.

Regent Brownlee said he would agree with Regent Shaw if the resolution were stated forevermore. However, he said a policy can change. He said that for the immediate future, the resolution would be a way to protect the source of funding for the hospitals and for their continuing program of improvement. He thought there were indications of possible jeopardy. Regent Brownlee preferred that the resolution not be restricted to one concept. Mr. Colloton said that the term "universal" could be struck throughout the resolution. Regent Brownlee agreed with this and suggested using "as health insurance expands."

Regent Shaw thought this was agreeable. He pointed out that the state is getting a bargain from University Hospitals.

President Petersen noted that any request for specific funds would come before the board and said that the resolution would state the board's intent for the future.

Regent Brownlee suggested that the last line of the last paragraph of the resolution be "the Governor to authorize these alternate uses of funds."

MOTION: Dr. Harris moved that the board adopt the proposed resolution, as amended by the board. Mr. Shaw seconded the motion and it passed unanimously.

Mr. Colloton then described several tables in the report showing the needs of University Hospitals.

Mr. Colloton discussed staffing problems and the managerial philosophy of the hospitals. He said the hospitals have a huge job to do in building an adequate staff. He described the method in which individual requests for additional staff are handled. He said high priority is given to ascertaining specific needs and to acquiring financial resources for staff once the needs are determined. An effort is made to determine the legitimacy of need. Work standards have been adopted for all components of the staff complement.

Mr. Colloton noted that the administration of the hospitals has a specific tentative program for 412 needed positions. Approximately 50% of these are planned for nursing and 213 are planned for direct service allocation.

He noted that the hospitals have rigid control standards, work performance considerations, and cost containment considerations.

Mr. Colloton said it is a tremendous tribute to the hospital staff that they have been coping with the type of patient responsibility they have. He said that with the board's support, rapid progress in staffing has been made over the past seven years. It is hoped that staffing will be completed over the next two biennia.

Ms. Fuller then described the mechanics of staffing. She said written documentation is needed for augmenting staff. The documented information describes program changes, work standards, what will be accomplished by additional staff, benefits to patients, and the consequences of not meeting the need.

She gave an example of the problems experienced by registered nurses. She noted that they have expectations of time off as do their colleague. Presently nurses at University Hospital have one weekend out of three off and this is seriously handicapping staffing. She said there must be an increase in the number of staff by 64 positions in order for staff nurses to have every other weekend off.

Ms. Fuller said that many shifts have only one registered nurse on them. The nurses must concentrate on the critical essentials of nursing care which results in the loss of individuality, warmth, concern, and understanding.

Patients are classified and some staff are move in to take care of the critically ill but this is not a satisfactory solution.

Ms. Fuller said that the nurses have been willing to extend themselves because they have felt the effects of augmentation in the past. She said additional staff is needed to relieve nurses at night and to give them every other weekend off. If this is not done, there will be some trouble in keeping staff.

Ms. Fuller said that in the pharmacy unit there are technical clinical positions which need to be filled.

She noted that the federally required review on admissions and length of stay for Medicare and Medicaid patients is a problem. About 20% of the patients go through this review process which required five full-time staff members. She noted that this process will extended to Blue Cross patients in January and to the Quad City health plan in the near future. In order to accomodate the expenses of the utilization review, six additional full-time persons, at a cost of \$100,000, will be needed to meet the new regulations.

Mr. Fuller said that other supportive services would require additional positions. There will be an increase in need for staff along with the increase in space created by the additions to the hospitals.

Regent Shaw, referring to the tables described by Mr. Colloton, noted that comparisons were being made with a moving target. He said that taking this into consideration, staffing is up at University Hospitals by 70%. He didn't think the hospitals needed to find places to add people. He said there were a lot of reasons for additional staff, such as a more sophisticated operation.

President Petersen, noting that the board approved a request toward the end of the biennium for a total of 92 positions, asked would that would be in terms of staff per bed. Mr. Colloton said this would be about ten. The hospitals home through their own resources to be able to add to this to keep it going.

Regent Bailey noted his concerns expressed at an earlier meeting about adding staff just to reach a certain staffing figure which he did not think was a proper guideline. However, he said the hospitals have been staffing on a proper basis. He said he had no objections to using comparisons to show that the hospitals are doing a good job and to show that there are some deficiencies.

President Petersen noted that the Quarterly Report increases the board's understanding of University Hospitals' operations and received the report on behalf of the board.

Mr. Colloton then asked the board to approve revisions in the University Hospitals' Bylaws. The revisions, which were approved by the University Hospital Advisory Committee, were designed to make the bylaws more compatible with the standards of the Joint Commission on Accreditation of Hospitals by adding more specificity to the due process rights for clinical staff and attendance requirements for the University Hospital Advisory Committee.

MOTION:

Dr. Harris moved that the board approve the amendments to the University Hospitals' Bylaws. Mr. Shaw seconded the motion and it passed unanimously.

The amended bylaws are on file in the Board Office.

President Petersen thanked Mr. Colloton and his assistants for their work.

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

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

Professor Ralph Anderson, as Director of the School of Social Work, for a 2½ year term, effective January 1, 1981.

MOTION: Dr. Harris moved that the board approve the appointment of Professor Anderson. Mr. Brownlee 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 the period July 1, 1979, to June 30, 1980.

The Board Office noted that in accordance with the Procedural Guide, Section 4.07C, the University of Iowa submitted this report. From July 1, 1979, to June 30, 1980, 77 faculty members resigned from the University of Iowa. Of these, 43 were assistant professors; 17, associate professors; 17, professors. The total of 77 resignations compared to 80 last year and 75 the preceding year. The Board Office said the overall number of resignations at the university appeared to be fairly stable during this time period.

The Board Office said the patterns and types of resignation were very similar to those observed in 1978-79. Although the overall number of resignations was close to that observed in the past two years, the percentage of resignations from professors (22%) increased over 1978-79 (14%) and 1977-78 (19%). The percentage of resignations from associate professors appeared to be stabilizing, although concerns had previously been expressed regarding a gradual rise in this area. The proportion of resignations from assistant professors decreased this year to 56%, compared to 64% and 60% in previous year. The proportion of female faculty resignations (18%) was unchanged from that observed in 1978-79.

President Petersen accepted the report on behalf of the board.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported the final register for the month of September 1980 had been received, was in order, and was recommended for approval.

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

University Hospitals - General Hospital Southeast Loading Dock

Award to: Burger Construction Co., Inc., Iowa City, Iowa

\$80,338.00

University Hospitals - General Hospital - Neonatal Consolidation

Award to:

<u>General:</u>	R. K.'s Home Improvement, Iowa City, Iowa	<u>\$147,840.00</u>
<u>Mechanical:</u>	Kondora Plumbing & Heating, Inc., Iowa City, Iowa	<u>\$136,600.00</u>
<u>Electrical:</u>	Speer Electric, Marion, Iowa	<u>\$ 34,789.00</u>

Hawkeye Sports Arena - Contract 3 - Structural Steel Truss

Award to: L. L. LeJeune Co., Minneapolis, Minnesota \$3,411,000.00

Stanley Residence Hall - Replace Roof over Lounge, Lobby, and Office Area

Award to: Cedar Service Co., Cedar Rapids, Iowa \$39,987.00

University Hospitals - Nursing Staff Development - Phase II

Award to: R. K.'s Home Improvement, Iowa City, Iowa \$16,591.00

The board was asked to approve the following new projects:

University Hospitals - Third Floor East Internal Medicine Faculty Offices
Source of Funds: University Hospitals RR&A \$27,830

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

General Remodeling for New Occupants - 700 South Clinton Street
Source of Funds: General University Building Repairs \$16,460.00

The Physical Plant Department was selected as engineer and inspection supervisor. The project involves minimal remodeling of space recently purchased which will be assigned to campus mail service, surplus and office equipment pool, law library book storage, and business office records storage. A separate project for remodeling for data processing mail service will be submitted at a later date.

University Theatre Addition
Source of Funds: 1981-83 Capital Appropriations \$5,754,500.00

This project is discussed on pp. 300-303 of these minutes.

The board was requested to ratify institutional action on architect's and engineer's contracts on two additional projects:

Field House - Ten Meter Tower - Swimming Pool

Ratify selection of Shive-Hattery & Associates, Iowa City, Iowa, to provide contract administration and project quality control during construction of this project on an hourly rate basis to a maximum of \$1,800. In August the board approved a \$33,000 project funded by the University of Iowa Foundation and selected Shive-Hattery to provide full engineering services on this project, excluding contract administration on an hourly rate basis up to a maximum of \$2,800.

University Hospitals - Adult Cardiac Catherization Structural Alterations

Ratify selection of Marske-Schardin Associates, Bettendorf, Iowa, to provide structural engineering services on this project on an hourly rate basis to a maximum of \$2,450. The board has not approved a project budget to date.

MOTION:

Dr. Harris moved that the board approve the Register of Capital Improvement Business Transactions for September 1980; ratify award of construction contracts made by the executive secretary; approve the new projects; ratify award of consultants contracts services; and authorize the executive secretary to sign all necessary documents. Mr. Bailey seconded the motion and it passed unanimously.

LEASE RENEWAL: PROPERTY LEASE WITH DRAKE UNIVERSITY FOR THE UNIVERSITY OF IOWA SOCIAL WORK EDUCATIONAL CENTER. The recommended action was that the board approve the proposed lease with Drake University to renew space at 2830 University Avenue, Des Moines, Iowa, for the period July 1, 1980, through June 30, 1981, with a fixed annual rent of \$12,625.

The Board Office explained that the Drake University space is for classrooms and offices in support of the Master of Social Work degree at the University of Iowa. The lease is for the same amount of space (1,650 square feet) as in 1979-80. Rent includes janitorial services, all utilities except telephone, equipment including office equipment, classroom space for the academic year, and library privileges.

The proposed cost per square foot for the non-classroom space was 5.53, compared to \$5.15 in 1979-80. This was a 7.2% increase. Cost per scheduled classroom meeting was proposed at \$20, up from \$18.50 in 1979-80 for an 8.1% increase. When all charges are considered, including Center space, classroom meeting space, library privileges, and the use of equipment, the proposed lease increased from \$11,449 to \$12,625, an increase of 10.3%.

It was noted that classroom space costs are subject to change depending on the number of classroom sessions scheduled. The present lease calls for 64 scheduled meetings.

STATE UNIVERSITY OF IOWA
September 18-19, 1980

The Board Office recommended that the property lease be approved for the year beginning July 1, 1980, with fixed costs of \$12,625 for fiscal year 1980-81.

MOTION:

Mr. Bailey moved that the board approve the lease of property with Drake University to renew space at 2830 University Avenue, Des Moines, Iowa, for the period July 1, 1980, through June 30, 1981, with a fixed annual rent of \$12,625. Dr. Harris seconded the motion.

Upon a roll call, the following voted:

AYE: Bailey, Brownlee, Harris, Jorgensen,
Neu, Shaw, Wenstrand, and Petersen

NAY: None

ABSENT: None

COLLEGE OF LAW BUILDING PARKING STUDY. It was noted that a requested parking study will be presented to the Board of Regents at the October board meeting.

President Petersen 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 conducted on Friday, September 19, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for August 1980 were ratified by the board.

OTHER PERSONNEL TRANSACTIONS. The board was asked to approve the following reappointment:

John P. Kluge as Chair of the Department of Veterinary Pathology beginning July 1, 1980, and ending June 30, 1985, salary as budgeted.

MOTION: Mr. Wenstrand moved that the board approve the reappointment of Dr. Kluge as listed above. 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 Iowa State University for the period July 1, 1979, through June 30, 1980.

The Board Office said that from July 1, 1979, to June 30, 1980, 35 faculty members resigned from the university. Of these, 23 were assistant professors; 6, associate professors; and 6, professors. The total of 35 resignations this year compared with 50 last year and 60 the preceding year, indicating a substantial decrease.

An analysis of resignations by rank, indicated that trends observed in all three ranks in 1978-79 were reversed in 1979-80. The proportion of resignations from assistant professors declined from a high of 72% in 1978-79 to 66% in 1979-80, while the percentage of resignations of associate professors increased from 12% to 17%, and that for professors remained relatively stable. The proportion of resignations from female faculty members (17%) declined from 26% in 1978-79.

President Petersen said it was interesting to note that the university is losing people to private industry and other universities. Regent Neu noted that the rate of resignation was level.

President Petersen accepted the report on behalf of the board.

PROPOSED IOWA STATE UNIVERSITY CATALOG CHANGES. It was recommended that the board refer the proposed changes in the 1981-83 Iowa State University catalog to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

Vice President Christensen noted that some supporting material on the proposed changes had been given to the Board Office. He said this will be a revolutionary cata because it is the first time in fifty years that every course has been rewritten.

MOTION:

Mr. Bailey moved that the board refer the proposed changes in the 1981-83 Iowa State University catalog to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation. Dr. Harris seconded the motion and it passed unanimously.

ENERGY CONSERVATION - CHRISTMAS MINIMAL OPERATIONS. The board was asked to approve Iowa State University's proposal to go on a minimal operations schedule during the Christmas recess from December 19, 1980, to January 5, 1981.

The university explained that as part of it's response to the 3.6% appropriation reversion which includes as its first priority \$600,000 in fuel savings, the university Administrative Board approved operating the university on a minimal schedule during the Christmas recess. This period, December 19 to January 5, corresponds with the current Christmas recess for students at the university. It is a period of time when the activity level on the campus has been normally reduced. The university plans to close approximately 75% of campus space with the objective of saving an estimated \$10,000 per day in utility expenditures. The \$160,000 saved during the sixteen-day period would be used to partially meet the university's required appropriation reversion.

It was noted that certain research programs and critical service activities would be continued.

The university outlined the procedures that will be followed and the general personnel policies that would be utilized during this period of time. These are generally consistent with existing Regent and university personnel policies and state negotiated labor contract. Although the university desires to provide for equitable treatment of all staff members and provide as much flexibility as possible within the range of operational efficiency, it anticipated there will be some inconvenience and possible disruption in certain activities. In probably a minimal number of cases, some staff members will be faced with being on leave without pay status during the six working days that fall in th s two-week period. A copy of the guidelines can be found on the following pages.

Regent Shaw indicated that he was not very enthusiastic about this proposal. He noted that .1 of 1% of the annual budget is involved. He was concerned about public access to the institution during this period.

Regent Shaw also expressed concern about the payroll. He said that some people would be paid time and a half for work that must be done during this period. He assumed that there is work that is normally done at this time. He also thought there would be people in laboratories and offices who would use this time to catch up on some of the things they get behind in when students are on the campus. He said that from

Iowa State University Personnel Policies for Christmas Recess Closing

To the extent possible, the campus of Iowa State University will be closed from 6 p.m. December 19, 1980 until 7 a.m. January 5, 1980. The objective of this closing is to reduce energy consumption by approximately \$10,000 per day for the sixteen day period involved. This is part of an overall energy conservation program brought about as part of the university's response to the 3.6 percent appropriation reversion recently implemented by the state. The alternative to reduced energy expenditures of approximately \$160,000 is budget cutbacks in other areas. Based on other savings measures already implemented, further reductions would appear to have to come in the personnel area. To save the same amount of funds, an additional 10 to 12 full-time equivalent personnel would need to be terminated, or if this was done in the last half of the fiscal year, an additional 20 to 25 positions. This is beyond the existing commitment to make salary reductions equivalent to approximately 3.5 percent of the positions within the university.

Although the university will be generally closed, critical activities and services will be maintained. These include the continuation of certain research programs and service activities where either the financial loss or the importance of the program will need to be continued. Each administrative area of the university will make appropriate decisions regarding the need for maintenance of critical services. Except in areas where specific requests have been made and authorizations granted, building temperatures will be lowered to approximately 50° and general public access to buildings will be curtailed. Staff members will be permitted to enter facilities and electric power will be maintained permitting some activities to continue at lower room temperatures.

Proposed Personnel Policies

In order to provide for equitable treatment of staff members, the following general personnel policies will be applicable during the shutdown period.

Unless using authorized leave, personal holidays, or earned compensatory time, a basic premise will be that no staff member will be paid for not actually working. Within existing university policies and state negotiated labor contracts, staff members will be given as much flexibility as possible to accommodate both their personal needs and those of the institution during the closing period. The general alternatives available are:

1. Vacation
 2. Leave Without Pay
 3. Compensatory Time
 4. Work At Other Locations
1. During the closed period, two four-day holiday weekends are scheduled covering the Christmas and the New Year's holidays. All employees will be eligible to receive appropriate holiday pay regardless of the pay option used during the remainder of the shutdown period. In closing on December 19, January 5 will be established as the next regularly scheduled workday. The university will waive the existing policy that requires work either immediately before or after the actual holiday period in order to be eligible for holiday pay.
 2. To the extent that operational efficiency permits, employees will be given the option of utilizing vacation or leave without pay.
 3. To the extent that workload requirements result in compensatory time from normal university activities prior to the shutdown period, employees will be permitted to utilize any earned compensatory time. Current collective bargaining agreements covering blue

collar, technical, and security employees require that compensatory time be earned at the rate of time and one-half for all hours in excess of eight hours per day or forty hours per week. For nonorganized merit system employees, Regents' policies require overtime at the rate of time and one-half for all hours in excess of forty hours a week. These policies cannot be modified and, consequently, compensatory time will be earned at a time and one-half rate. There will be no specific adjustment of university working days or hours prior to the shutdown to specifically permit the accruing of compensatory time. This does not appear to be generally practical within either university or statewide operating policies. However, it is possible that because of the backlog of work developed during the closing certain areas of the institution may find the need for scheduling overtime in order to catch up and return to a normal level of operation. Within existing budget limitations, this will be permitted based on each administrative area of the university adopting its own appropriate policies. Again, under existing overtime policies this would be done at a time and one-half rate.

4. Faculty, graduate students and professional and scientific staff members not eligible for, or subject to, overtime provisions as generally described under the Fair Labor Standards Act, will be expected to be in a work status or adopt one of the above policies depending upon the specific nature of their job and the arrangements worked out with the appropriate administrators. In other words, they will be compensated within the existing university personnel policies depending upon the specific position involved.
5. The payroll of the institution will be paid on the normal payroll date of Wednesday, December 31, 1980. The university business office is currently developing proposals regarding payroll voucher and authorization procedures. It will be important that departments submit all payroll changes prior to the closing on December 19 in order for the calendar year ending payroll to be as accurate as possible.

The objective of this closing is to reduce energy consumption. Every decision that is made to maintain or operate certain areas of the institution reduce the potential energy savings. Administrative decisions will need to be made regarding what areas and level of activity will be permitted on the campus. This will be the responsibility of each major administrative unit of the university consistent with the university's objective to save energy while continuing to provide necessary services to the state of Iowa. This level of savings can only be achieved through the full cooperation of our staff.

WRM
9/10/80

this point of view, in many cases the university will be paying six days of compensation for four days of work. He said some people would receive time and a half pay because of extra time spent in doing work that must be done before or after the break. He thought this would reduce the effectiveness of the work force by almost a full percentage point on an annual basis.

Regent Shaw thought there would be many inequities perceived and imagined if people have to take vacation in order to keep their pay up during this period. On the other hand, he said, there might be people who normally would take vacation at this time who decide not to take the time as vacation in this situation.

Regent Shaw said there would be a tremendous amount of administration involved in carrying out this proposal. He suggested that if there is a shutdown at Iowa State University, perhaps there should be one at the University of Northern Iowa where it would be easier to accomplish. He noted that such a proposal for the University of Iowa would be more complicated.

Vice President Moore, noting that the proposal was originally called Christmas Recess Closing, said that that did not indicate that intention of the university. It will mean minimal operations of the university. In the fiscal sense, he said, this means that every building possible will be maintained at 50 degrees and the ventilating systems will be turned off. It is the same thing the university proposed doing on evenings and weekends for the whole year. He said there would be certain areas in which work conditions will not be changes very much, such as outside work and physical plant work.

Vice President Moore said that certain selected buildings will not be closed. These buildings must still be selected. An example of this is that the library will remain open on a normal schedule. He gave another example as the Memorial Union Building. He said that dormitories are normally closed at this time of the year.

He said that many faculty would not be on campus at this time because their period of break is the same as the academic calendar and there would be a lot of offices empty.

Consideration will be given to whether or not this modification would damage the research process. If it does, those research areas would remain in continuous operation.

Vice President Moore noted that the detailed plans on this proposal have not yet been worked out and that a committee is working to determine which areas would continue normal operations, which areas would be placed on a reduced scale, and which areas would essentially stop.

Vice President Moore noted that the university does not plan to pay anyone for not working. Personnel will work, take vacation, or go on leave without pay.

Regent Shaw said this would be a very busy time in regard to applications for admission and said that the university would have to answer its mail during this two-week period. Vice President Moore said this unit would remain open. The payroll office will also have to remain open until the December payroll is completed.

He noted that it is not definite that the university will save \$10,000 but that this is its best estimate. The alternative to this proposal would be to lay people off.

Regent Shaw asked about the people who wanted to work on individual projects and use space heaters to keep warm. Vice President Moore said that in some cases this would be allowed.

Vice President Christensen pointed out that this solution would not make anyone happy but everything the university is doing to meet the 3.6% reversion is making people unhappy. He said this plan was presented to the faculty and staff councils, student government, and the administration. These groups felt the solution was not completely acceptable but it is the best one available.

President Petersen noted that there have been many proposals for closing the institutions during the winter months and said this would be an experiment on a short-term basis to really test such proposals. She said the period of the minimal operation would be long enough to see if the \$10,000 estimate is good or way out of line. She thought the proposal worth trying to learn about gains and losses, not only in dollar amounts but in terms of time and progress on projects

Vice President Christensen said the university would try to address each of the problems raised by the board. It will try to minimize the amount of overtime that must be paid. He said the university realizes that if money is saved here, but lost somewhere else, it will not be ahead.

Regent Shaw urged that the university watch the amount of overtime. He said it must be sure that, in view of the modest amount of dollar savings involved, it doesn't end up draining off most of the savings. He noted there is a lot of disadvantage to the public as well as to the productive activities of the institution. He said if this is a desirable plan, it should be desirable everywhere and not just at Iowa State University. Vice President Moore said it is not a desirable plan but a way to deal with a problem. Regent Shaw agreed that the plan was worth trying.

Vice President Christensen noted that the proposal for minimal operation had been discussed with department heads, the Professional and Scientific Staff Council, the General Service Staff Council, student leaders, and the faculty cabinet. He felt a feeling of cohesiveness was developing to try this proposal and see if it is worthwhile.

President Petersen noted that there were a number of questions about handling of personnel problems. She said that if the university decided to proceed with this plan, the board would be interested in an analysis of how it worked out in regard to how much was saved and what the cost was.

Vice President Moore pointed out that it would not be possible to determine how much fuel was saved for each building but that the savings would be determined by the amount of fuel used at the central station. This will be compared with the average of two or three years in the past.

In regard to personnel, Vice President Moore, said the university would adhere to all state and Regent personnel guidelines with the variation of one rule. According to the guidelines, personnel cannot take leave without pay until all their vacation time is used. This rule will be waived so people can use vacation if that is their desire.

Vice President Stansbury indicated that the University of Northern Iowa is considering a similar proposal which will be presented to the board at a future meeting.

MOTION:

Mr. Neu moved that the board approve Iowa State University's proposal to go on a minimal operations schedule during the Christmas recess from December 19, 1980, to January 5, 1981. Dr. Harris seconded the motion and it passed unanimously.

STORM LOSS, JUNE 19, 1980 - DAMAGE REPORT. Iowa State University presented a list of losses sustained due to a sudden hail storm on June 18, 1980. These are shown on the following page.

Regent Bailey wondered if everything that should have been included on the list was included. He noted that there was \$348,000 worth of damage to the roof of one building and \$112,000 worth of damage to all of the other roofs. He wondered about so much damage being in one area.

President Petersen pointed out that hail storms can vary from one side of the street to the other. Vice President Moore said the storm was very intensive in the south and that damage was light in the north.

Mr. McMurray said he was confident because of the time taken by the university before submitting its request that the list was complete.

President Petersen received the report on behalf of the board.

Iowa State University
of Science and Technology

September 18-19, 1980

Storm Loss, June 18, 1980 - Report

On the afternoon of June 18, 1980, a sudden hail storm damaged university buildings, vehicles and crops. A request for reimbursement has been presented to the State Executive Council as follows:

Greenhouses		\$ 29,000.00
Glass on Various Campus Buildings		4,300.00
Campus clean up		3,000.00
Golf Course		600.00
Roof Damage to 150 Campus Buildings		112,300.00
Damage to Vehicles		24,000.00
Animal Science Teaching Farm - Windows		300.00
Poultry Science Research Center - Roof Damage		200.00
Animal Reproduction Farm - Windows & Roofs		500.00
Dairy Farm - Roofs and Glass	4,300.00	
- Crop Damage	<u>2,700.00</u>	
Curtiss Farm - Roof Damage	600.00	
- Crop Damage	<u>6,000.00</u>	6,600.00
Ankeny Farm - Crop Damage		<u>51,000.00</u>
Total - General University		<u>\$ 238,800.00</u>

The Iowa State Center and the stadium also sustained damage and are presently being repaired. These losses are covered by insurance and total \$490,500.00 as follows:

Auxiliaries - Roof Damage Covered by Insurance:

Hilton Coliseum	\$348,000.00
Stephens Auditorium	92,000.00
Fisher Theater	24,500.00
Scheman Building	10,000.00
Stadium Concessions Stands	14,500.00
Olsen Building	<u>1,500.00</u>
Total Auxiliaries	<u>\$490,500.00</u>

GRAND TOTAL \$ 729,300.00

COAL PURCHASING REPORT. Vice President Moore reported that the university took the low bid for coal purchasing and that there were no unusual circumstances.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office reported that the final register for August 23 through September 19, 1980, had been received, was in order, and was recommended for approval.

There were no construction contract awards or recommendations on this register.

The board was asked to approve the following revised or amended projects:

Engineering Annex - Remodel Second Floor

The university requested approval of a revised budget totaling \$630,000 which compared to the budget approved in December 1979 of \$472,000. The reason for the increase was a decision to heat and cool the entire second floor using fan coil units rather than the existing steam radiators and window air conditioners. Also, the source of funds was changed from Building Repairs to Income from Treasurer's Temporary Investments - \$488,000. The remaining \$142,000 will come from handicapped capital appropriations. The change in funding source was made because of an anticipated severe reduction in funds available for Building Repairs this fiscal year.

Regent Shaw asked about the overall implication in regard to the Treasurer's Temporary Investments of the 3.6% appropriation reversion. He asked if there was any discretion with respect to these funds. Mr. Richey said that theoretically there is discretion in regard to these funds. He noted that they are not state funds and are flexible. They can be moved around as long as they do not have previous obligations on them.

Regent Shaw wondered if they could be used to deal with the salary situation. Mr. Richey said that the institutions should use these funds for that purpose only as a last resort. To use them for this purpose would establish a precedent that could be extremely damaging to the institutions because they have very little discretionary money.

Utilities - Chilled Water System Additions - 1977

The university requested approval of a revised project budget which, first increased by \$320,000 so that chilled water extensions can be made to ten central campus buildings currently not served from the central plant.

Source of funds for this addition to the project is Overhead Reimbursement for Use of Facilities. Second, the budget reflected transfers to other utility projects totaling \$823,000, as approved by the board over the past year. The basic project was funded through sale of academic revenue bonds in 1977. The university indicated in February 1979 that the project would have an unencumbered balance of about \$500,000 attributable to very favorable bids on equipment and construction and a somewhat conservative initial estimate by the consultant. The actual amount freed from the project was \$823,000. Total budget was reestablished at \$2,152,000.

The Board Office said the rest of the register was routine and required no special board consideration.

MOTION:

Mr. Wenstrand moved that the board approve the Register of Capital Improvement Business Transactions for the period of August 23 through September 19, 1980; approve the revised or amended budgets; and authorize the executive secretary to sign all necessary documents. Mr. Neu seconded the motion and it passed unanimously.

President Petersen then asked board members and institutional executives if there were additional matters to be brought up 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 Friday, September 19, 1980.

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

COLLECTIVE BARGAINING NEGOTIATING TEAM. President Kamerick recommended that the following people be appointed as members of the negotiating team to the Regents:

Vice-President James Martin
Dean Robert Morin
Mr. Donald Walton
Dr. ElVon Warner, Head, Department of Business Education and Administrative Management
Dr. Marion Thompson, Head, Department of Special Education
Dr. Robert Barak

President Kamerick asked that Mr. Richey name a person to be a representative of the Board Office.

Mr. Richey named Donald Volm as the representative from the Board Office with the understanding that this could change during the bargaining.

Mr. Richey told the board that in regard to the search for a Director of Employment Relations in the Board Office, there has been a delay. The position was offered to someone, but the person is involved in a firm in which the senior partnersuffered a major heart attack. The applicant indicated he would not give an answer to the offer until he can talk to the senior person and work out arrangements for leaving. Mr. Richey noted that this delay could mean a new search would be necessary. In answer to a question from President Petersen, Mr. Richey said the applicant had a particular time by which to respond to the offer.

MOTION:

Mr. Bailey moved that the board approve the nominations of those listed above to the negotiating team for the Board of Regents in collective bargaining negotiations with the University of Northern Iowa faculty collective bargaining unit representatives. Dr. Harris 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 of July 1, 1979, through June 30, 1980.

The Board Office noted that from July 1, 1979, to June 30, 1980, 32 faculty members resigned from the university. Of these, 4 were instructors; 20, assistant professors; 7, associate professors; and 1, full professor. This year's total of 32 resignations compared to 30 in 1978-79, 23 in 1977-78, and 33 in 1976-77.

The distribution of resignations by rank was similar to that observed in 1978-79, with 63% of the resignations from assistant professors and 3% from professors in each year. As noted in prior years, the percent of resignations coming from associate professors and instructors fluctuates with no observable trend.

Vice President Martin noted that the resignations were slightly above those of last year. He said that there had been very low turnover in the School of Business and that that school had an excellent year in recruiting faculty. President Petersen noted that the school still has some vacant lines.

President Petersen accepted the report on
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 August 7 through September 5, 1980, had been received, was in order, and was recommended for approval.

There were no construction contracts awarded or to be awarded on the register.

The Board Office noted that the only non-routine register item was a request to reimburse Brown Engineering Company, West Des Moines, Iowa, in the amount of \$10,224.86 for additional services not covered in the original agreement on the Coal-Fired Boiler Replacement and Auxiliaries project. The Board Office concurred in the recommendation.

MOTION:

Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for the period of August 7 through September 5, 1980; approve the reimbursement; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

President Petersen 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 Friday, September 19, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of August 1980 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 as of May 1980.

The Board Office said the school reported five teacher resignations. Two teachers moved to other teaching positions out of state, one went to a teacher training program, and two retired. In 1978-79, there were ten resignations.

President Petersen accepted the report 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 month of August 1980 had been received, was in order, and was recommended for approval.

The register contained two contract change orders on the same matter. On May 28, 1980, bids were taken on three projects: Addition to the Vocational Building, Handicapped Modifications - Phase II, and Relocation of the Vocational Building Access Road. During that bidding process, bids were also taken on an alternate to replace the cab in the Main Building elevator. The need for replacement was pointed out in the Facilities Master Plan completed in November 1978. The elevator is also the major handicapped access means for internal building circulation.

Funds were not immediately available within the capital appropriations from handicapped accessibility to allow exercise of this bid alternate at the time the contract was awarded to Butler Construction Inc., Omaha, Nebraska.

Availability of funds has been determined through the most part by use of 1979-80 operating balances, supplemented by 1980-81 Building Repairs funds, to allow exercising the alternate, as bid by Butler Construction Inc., of \$52,000. That was done in the first of the two change orders.

The second change order was for \$3,000, which accounted for cost inflation during the 90 days since Butler submitted its bid through the time the alternate was ordered.

The overall cost of construction of this elevator in the existing shaft of \$55,000, said the Board Office, appeared quite reasonable and was probably due in large measure to the fact that four additional elevators were included in the May 28 bid package, three of which are part of the handicapped accessibility program. The other elevator is for the Vocational Building Addition. If this elevator had been bid separately, cost of cab replacement would be at least \$75,000, as compared to the \$55,000 set out in the two change orders.

Regent Bailey asked if the \$55,000 would be for just an elevator car. Mr. McMurray indicated that there would be some renovation in the elevator shaft. He said this was not an unusual cost. He noted that there would also be some adjustments for handicapped accessibility needs.

MOTION: Mr. Bailey moved that the board approve the Register of Capital Improvement Business Transactions for August 1980; approve the contract change orders; and authorize the executive secretary to sign all necessary documents. Mrs. Jorgensen seconded the motion and it passed unanimously.

RENEWAL OF AGREEMENT FOR PHYSICAL THERAPY SERVICES. It was recommended that the agreement between the Iowa School for the Deaf and the Leavenworth Physical Therapy Clinic for the provision of physical therapy services be approved and that the superintendent be authorized to execute the agreement on behalf of the board.

The Board Office noted that this agreement is a renewal of a contract approved by the board in September 1979. The renewal contract includes an increase in the hourly rate for a physical therapist (from \$16.14 to \$17.75 per hour) and a decrease in the minimum number of hours (from 20 to 16 hours per week). The school noted that funds for this service are budgeted under its Title I program.

President Petersen asked if the contract would accommodate the needs of the school. Superintendent Giangreco answered yes and said the school was very satisfied with the service.

MOTION: Mr. Wenstrand moved that the board approve the agreement between the Iowa School for the Deaf and the Leavenworth Physical Therapy Clinic for the provision of physical therapy services and authorize the superintendent to execute the agreement on behalf of the board. Mr. Bailey seconded the motion and it passed unanimously.

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CROP SHARE FARM LEASE. It was recommended that this item be deferred until the Board Office has reviewed the new lease.

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

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business pertaining to Iowa Braille and Sight Saving School was transacted on Friday, September 18, 1980.

REGISTER OF PERSONNEL CHANGES. The actions reported in the Register of Personnel Changes for the month of August 1980 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 1979-80.

The Board Office noted that 4 faculty members resigned from the school during the 1979-80 year. Two moved to other teaching positions, one out of state and one in Iowa City; and two retired. In 1978-79, there were 3 faculty resignation.

The institution reported that two faculty members were on educational leave of absence without pay. In the future, the Board Office said the report on educational leaves should be submitted as a separate item, with complete information required by the provisions of the Educational Assistance Program approved by the board in June 1980.

President Petersen accepted the report on behalf of the board.

REGISTER OF CAPITAL IMPROVEMENTS BUSINESS TRANSACTIONS. There were no entries on the register for the month of August 1980.

APPROVAL OF FINAL BUDGET - TITLE VI-C. The board was asked to approve the Deaf/Blind program budget in the amount of \$74,920 for 1980-81.

The Board Office provided the following background. The Deaf/Blind program at Iowa Braille and Sight Saving School was approved by the board in June 1971 for federal funding administered through the South Central Regional Center for Services to Deaf/Blind Children, Dallas, Texas. As some reductions in federal funding occurred, arrangements were made with the Department of Public Instruction for supplemental funding requisitioned by Grant Wood Area Education Agency-10 from sending local school districts. The funding for the last two years and proposed for 1980-81 is as follows:

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<u>Funding Source</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
South Central Regional Center (federal funds)	\$109,754	\$ 81,651	\$ 74,924
AEA-10 (local school districts)	60,026	54,980	--
Essential Program Adj.	--	20,000	41,000
TOTAL	<u>\$169,780</u>	<u>\$156,631</u>	<u>\$115,924</u>
Reduction from 1978-79	<u>--</u>	<u>13,149</u>	<u>53,856</u>

It was expected that funding from the South Central Regional Center will be phased out at approximately 20% per year. Actual reductions amount to about 26% in 1979-80 and an additional 8% in 1980-81.

Supplemental funding from local school districts ended with the support of \$54,980 in 1979-80.

State appropriations of \$20,000 in 1979-80 and an additional \$21,000 in 1980-81 were funded as essential program adjustments to cover reductions in funding of the Deaf/Blind Program. However, the state appropriations were insufficient to maintain the funding for the Deaf/Blind program at the 1978-79 level and resulted in the institution having to absorb a reduction of about \$13,000 in 1979-80 and \$54,000 in 1980-81. Adjustments to accommodate the funding reduction of \$54,000 were incorporated in the general program operating budget approved by the board in August. The phase out of funding through the South Central Regional Center was incorporated in the institutional planning.

Enrollment of Deaf/Blind students has been constant for the past three years.

The funding and proposed program has been approved by the South Central Regional Center for Services to Deaf/Blind Children and a subcontract awarded to the Iowa Braille and Sight Saving School.

According to the institution, the subcontract provides funding for the school to employ approved staff to provide a residential educational program for 13 deaf/blind children and \$21,000 of support for a state coordinator for deaf/blind children. The institution is to provide administrative support to the state coordinator from general funds. General fund support for travel and secretarial service was estimated at approximately \$6,000 based on information from the institution. The Board Office was informed that the general fund budget includes the administrative support for the state coordinator. The state coordinator is under the jurisdiction of Iowa Braille and Sight Saving School and the policy guidance of the Director of Special Education, Iowa State Department of Public Instruction.

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In view of the fact that the budget proposal continues a previously approved program, the Board Office recommended that the proposed budget for 1980-81 in the amount of \$74,924 be approved.

MOTION:

Mrs. Jorgensen moved that the board approve the Deaf/Blind program budget in the amount of \$74,920 for 1980-81. Mr. Wenstrand seconded the motion and it passed unanimously.

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

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 3:45 p.m. on Friday, September 19, 1980.



R. Wayne Richey
Executive Secretary