Remarks on Efficiency/Productivity

“We’ll start with the Board president’s report, and there are a couple issues of importance that I would like to talk about today.

The first is to address efficiency and productivity of Iowa’s public universities.

The Board of Regents has a responsibility to provide access while maintaining affordability and improving quality at the state’s public universities. One focus in achieving these goals is for the universities to be as efficient and productive as possible.

As Regents, we have asked the universities on several occasions to develop initiatives to save resources, find new efficiencies, and search out collaborations. We all applaud the efforts of our university presidents in leading their campuses in these efforts. The universities have responded successfully and I would like to talk about a few of the results.

• They have accumulated savings of over $175 million over 5 years through an Early Retirement Incentive Program;

• There has been the elimination of programs, department restructuring, and creation of shared service centers;

• Savings of over $2.4 million through collaborative purchases starting in FY 2011;

• Expanded use of electronic procurement, banking and bill-paying systems; and

• Adoption of sustainable building standards to lower energy and operating costs for new construction and major renovations.
In addition, the universities have fully cooperated in state government efficiency efforts. This included our involvement in a state purchasing study by AT Kearney in 2005-2006 and a comprehensive state agency operation review by Public Works in 2009-2010.

The Board and the universities strive to identify options to improve Iowa’s public universities’ organizational structure through more efficient and effective operations to facilitate long-term growth. We are happy with the progress that our universities have made. But to take these efforts to the next level we believe requires the expertise of an outside consultant whose specific focus will be to study the three public universities, as separate entities and operating systems. To that end, today we are directing Executive Director Donley to begin setting the scope of such a study and to create a Request for Proposal to be released as soon as possible.

We acknowledge that this effort will take considerable time and significant resources, but we also know that the innovation and collaboration that will occur will validate the investment. The outcomes will identify where strategic investments can be made to operate our universities in a more effective and financially sustainable manner for the long term.

It was very interesting with our discussion with the students over lunch we talked about the ideas and what we could obtain and so often it flows back to tuition and the cost of education and I’m happy to say that I know that all three public institutions focus their core competency most of all upon educating our students.”
Remarks on Tuition Freeze

“At our October Board meeting, we will begin formulating tuition and fees for FY 2014. Due to higher enrollments at two of our campuses and the projected low inflation rate for the coming year, I am asking the university presidents to consider this.

We are going to ask the state general funding for an inflationary rate in general fund of 2.5%. We are also going to ask that they continue the three-year plan of an extra $4 million to the University of Northern Iowa. Let me be clear, it’s the second of a third-year plan of a $4 million focus for the University of Northern Iowa.

If this is achievable, I would like the university presidents to model tuition rates for the undergraduate resident students that are unchanged from the current year. This does not include any other tuition classifications and does not preclude proposals for program-specific tuition differentials.

As a Board president, I want to thank President Mason for bringing this idea forward. In a discussion that President Pro Tem Rastetter and myself had with President Mason earlier this spring, she said, “wouldn’t it be a great idea if we could hold tuitions at the current rate for next year of what they are this year.” And my immediate response was, “that would be great.” But we had to work with the institutions to make that happen.

The readiness to sacrifice millions of dollars in new revenues on top of enduring several years of reduced state funding shows sincere commitment to the students. I am also pleased to report that my initial conversation with our newest leader, President Leath, shows he has the same willingness to step forward.

At this time, the biggest concern is in how a future loss of funds will affect UNI which has enrollment numbers significantly below projection. That has been our concern all along, but I am pleased to announce that President Allen has expressed a willingness to ask his university to undertake this challenge.
We are at a unique position today – we are coming out of a period of heavy losses in state funding and have proven to Iowans that we are good stewards of the assets entrusted to us. Our universities have made very difficult decisions and have proven to be strategic and innovative in the use of their resources. Today, we will ask the Governor and Legislature to continue to put their faith in the future of higher education in Iowa by supporting the Regent FY 2014 Appropriation Request, which will be 2.5%, along with the special projects for the universities, and the $4 million second year funding for UNI.

As Regents, we are committed to leveraging our institutions of higher learning and discovery to lead in the new global economy.

We will continue to discuss the concept of a tuition freeze for undergraduate resident students with further review of the numbers at the October Board of Regents meeting. We will do our utmost to make this work with the support of the Governor and Legislature for the benefit of our students. Thank you for your attention.”