

**Governing Iowa's public universities and special schools**

University of Iowa  
Iowa State University  
University of Northern Iowa  
Iowa School for the Deaf  
Iowa Braille and Sight Saving School  
Lakeside Lab Regents Resource Center  
Quad-Cities Graduate Center  
Southwest Iowa Regents Resource Center  
Tri-State Graduate Center



David W. Miles, President, *West Des Moines*  
Jack B. Evans, Pro Tem, *Cedar Rapids*  
Bonnie J. Campbell, *Des Moines*  
Robert N. Downer, *Iowa City*  
Michael G. Gartner, *Des Moines*  
Ruth R. Harkin, *Cumming*  
Greta A. Johnson, *Le Mars*  
Craig A. Lang, *Brooklyn*  
Rose A. Vasquez, *Des Moines*

Robert Donley, *Executive Director*

**Summary of February 3, 2009, Meeting of Board of Regents, State of Iowa**

President Miles announced that this was the first meeting of the Board of Regents being broadcast via live audio streaming over the Internet, which will allow Iowans easier access to the Board meetings. The audio file for this Board meeting is available at the following link to the Board of Regents web site:

<http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/february2009.htm>

President Miles also announced that he has asked the Board Office to review and make recommendations for reducing Board meeting expenses over the course of the year. These recommendations could include fewer meetings, attendance by fewer people traveling from the institutions, shorter meetings, and telephonic meetings. He explained that the Board of Regents needs to do what it can for Iowans by reducing meeting expenses in these challenging financial times, while ensuring the discharge of the Board's fiduciary responsibilities without reducing the quality of its efforts.

**Executive Director Report**

Executive Director Robert Donley reported that President Miles, and the University Vice Presidents for Business and Finance, appeared before the Joint Education Appropriations Subcommittee on January 29 to respond to the impact of the FY 2009 appropriation reductions of 2.5% on Iowa's public universities.

He also reported on the Board's February 2 Strategic Planning workshop, which was attended by the Governor, legislative leadership, community colleges, private colleges, and business and industry leaders, to discuss the future needs of higher education.

He added that the Board is continuing to monitor with the institutions the policy implementation and training process for the sexual misconduct policies approved by the Board at the December 2008 meeting.

**Legislative Update**

Keith Saunders, State Relations Officer, indicated that legislative discussions have been dominated by the State budget. He reaffirmed that the FY 2009 appropriation reductions of 2.5% will require spending cuts totaling \$17 million for Iowa's public universities and special schools. With the additional 6.5% appropriation reduction in FY 2010, the required spending cuts over both years will total \$62 million (this includes \$26.1 million for the University of Iowa, \$25.2 million for

Iowa State University, \$9 million for the University of Northern Iowa, and \$1.2 million for both special schools).

Mr. Saunders also explained that the Legislature is waiting on two pieces of information before beginning substantive work on the State budget: 1) the size of the federal stimulus package and what aid would be given to Iowa, and 2) the report of the next Revenue Estimating Conference, which is scheduled for mid-March. He indicated that the Board and the institutions have made presentations to both the Joint Education Appropriations Committee and the Economic Development Appropriations Committee, and that he expects return visits before both Committees for more substantive discussions on the impact of the spending cuts. He also indicated that President Mason was scheduled to appear before the Legislative Oversight Committee on Thursday, February 5, to provide an update on flood recovery efforts at the University of Iowa.

### **Report on 2009 Appropriation Reversions**

The heads of Iowa's public universities and special schools outlined their plans for responding to the FY 2009 appropriation reversions totaling \$17 million.

Superintendent Clancy of the **Iowa Braille and Sight Saving School** indicated that the School will address its **\$86,000** (1.5%) reversion primarily by leaving unfilled the position of director of the statewide system for vision services.

Superintendent Prickett of the **Iowa School for the Deaf** indicated that the School will address its reversion of **\$151,896** (1.5%) primarily by leaving vacant a faculty position that had been reserved in the event of a critical need (such as an unexpected influx of students requiring an additional class and teacher).

President Mason of the **University of Iowa** explained that the University will address its **\$7.5 million** (2.5%) reversion as follows:

- **\$2.8 million** – Building Repair funds (once set aside for FEMA match, but no longer needed for that purpose since they have been replaced by revenue bond proceeds)
- **\$2.2 million** – Deferring non-flood recovery capital projects:
  - Completion and occupancy of former cinema space within University Capitol Centre;
  - Construction cost savings on College of Public Health building allowing release of General Education Funds from project budget; and
  - Suspension of Oakdale Campus Library Archives project for indefinite future.
- **\$2 million** – Reductions from General Fund operating units, with significant exceptions: student financial aid, library acquisitions, utility, fuel, debt service, and departments still in substantial flood recovery. Contributions to this reversion will come from delays in hiring, deferring replacement of most classroom and teaching lab equipment, lengthening computer replacement cycles, and other general expense cutbacks.
- **\$500,000** – From non-General Education Fund units that receive State appropriations (University Hygienic Lab, Oakdale Campus, and number of health services and research units).

In addition, the University will delay searches for four central administration positions and maintain the existing interim appointments for the positions. Three searches will be delayed for up to two years, effective immediately: interim vice president for legal affairs and general counsel, interim vice president for student services, and interim vice president for research. The fourth search is for the position of associate provost and special assistant to president for equal opportunity and diversity (a search was planned when the current appointment expired this year). In delaying the four searches, the University expects to also delay more than \$200,000 in search expenses that would have been incurred this year or next.

President Mason announced that the University will proceed with a search for the Vice President for Strategic Communications. In the interim, the University has retained two consultants to help plan short-term communications for various programs in place at the University.

- Mary Stier, to develop a communication plan on the University's efforts to curb binge drinking, at a total cost of \$25,000, through July 2009; and
- Terri Goren of Goren and Associates, to identify current communication challenges across the institution, develop a comprehensive 2009-2010 communication plan, and provide communications coordination and support until the vice president position is filled, at a cost of \$20,000 per month for 7 months (\$140,000 total);

The University will use private funds to pay the consultant fees, which total \$165,000.

President Allen of the **University of Northern Iowa** explained that the University will address its **\$2.5 million** (2.5%) reversion as follows:

- \$1 million (representing the November 1% reversion) – the University has reduced purchases of additional Information Technology equipment and security systems, delayed library purchases, and reduced work on building maintenance projects.
- \$1.5 million (representing the December 1.5% reduction) – 50% of the reversions were covered using one-time funds; the remaining 50% will be distributed across divisions proportionate to their respective share of the General Fund budget.

Actions resulting from this reversion include:

- Division of Academic Affairs closed its search for the director of the Center for Enhancement of Teaching and Learning, suspended plans to reinstitute Center, and delayed hiring new assistant provost for information technology.
- Division of Administration and Finance delayed implementation of document imaging system project; reduced non-essential out-of-state travel for professional development; delayed replacement of computer hardware and software, vehicles, building services equipment; delayed hiring of facilities engineer and facilities technology coordinator; delayed progress on building repair and deferred maintenance projects; and delayed implementation of new computerized facilities management information system.
- Student Affairs Division lengthened implementation of new student information system.
- Advancement Division cuts have reduced University's capability and capacity to market and promote UNI effectively with alumni, friends, and others.

President Allen also noted that these reversions have transferred the fiscal responsibility for 50% of the University's 2009 contractual salary obligations from the State to the University.

President Geoffroy of **Iowa State University** explained that the University will address its **\$7.2 million** (2.5%) reversion as follows:

- Delaying classroom and laboratory renovations, purchases of lab and other classroom equipment, and repairs to University facilities;
- Leaving vacant a number of faculty and staff positions;
- Eliminating funding for research, faculty start-ups, and matches for external grants and contracts by some colleges;
- Reducing planned expenditures for travel and general supplies; and
- Reducing plans for the University Library to provide and enhance electronic access to journals.

In addition, 32 top University leaders, including the athletic director and four head coaches, will take voluntary furloughs. President Geoffroy reported that a significant number of other University employees also plan to take voluntary furloughs in recognition of the seriousness of the budget situation.

Patrice Sayre, Chief Business Officer for the Board of Regents, explained that the **Board of Regents Office** will address its **\$35,000** (2.5%) reversion for FY 2009 by leaving a vacant position unfilled. She explained that the Board Office has a very small budget and only requests State funding to keep up with pay increases and benefit changes.

Looking ahead to FY 2010, President Miles noted that in the Governor's budget recommendations the Iowa School for the Deaf and Iowa Braille and Sight Saving School would each be faced with a 6.5% appropriation reduction, while the rest of the state's K-12 schools would receive a 2.0% increase for allowable growth, with an opportunity (through their own means) to increase this amount to 4.0%, along with the possibility for additional funding for teacher quality. He recommended that the Board make every effort to ensure that the special schools be treated in a similar fashion to other State K-12 school systems with respect to their FY 2010 budgets.

President Miles thanked the institutional heads for their leadership and the discharge of their responsibilities in making the necessary budget reductions for FY 2009. He asked the institutional heads to begin developing plans and scenarios to respond to the necessary FY 2010 budget adjustments. He explained that he will not ask the Board to make final decisions on the FY 2010 budgets for Iowa's public universities and special schools until the State budget numbers are finalized and the legislative appropriation for the Board of Regents has been approved.

### **Status Report on University of Iowa Flood Recovery**

Vice President Doug True reported on the recent announcement from the Federal Emergency Management Agency (FEMA) on its findings and financing options regarding the replacement or restoration/mitigation of several University of Iowa facilities damaged by the June 2008 floods. This includes four facilities, Hancher Auditorium, Voxman Music Building, Clapp Recital Hall, and Art Building East (including the original Art Building), that are eligible for one of two FEMA

financing options: 1) 90% of the replacement cost of the facilities, or 2) 90% of the cost of in-place restoration and mitigation of the facilities. He explained that the University is undertaking a very careful and comprehensive review of the FEMA options, along with the University's key issues to be addressed. The review includes studies of potential building sites outside of the flood plain; space requirements for the buildings, with parking; FEMA coverage restrictions for building enhancements; and future insurability of the facilities, among others. The University will return with recommendations for Board consideration at the March meeting.

Vice President True also addressed the University's continuing financial challenge related to its flood recovery. He reported that the University has encumbered total flood-related costs of \$113 million; of this amount, the University has spent \$93 million, and FEMA has paid \$22 million.

Regent Downer asked about the possible restoration of the University Art Museum, using FEMA funds, for future use by the School of Music. Vice President True explained FEMA's requirement for "like use" of facilities, which could be sufficiently broad to allow the University to work with FEMA on funding this possibility.

Since acceptance of the FEMA options requires approval of the Board of Regents, Regent Harkin asked for information on the lessons learned by the University from the 2008 flood. She explained that this information would be very useful in helping the Board make optimal decisions on the future of the buildings. President Miles agreed and directed the University to first make a presentation on lessons learned, followed by the University's recommendations, at the March meeting. Vice President True acknowledged a similar benefit to the University in reviewing all that occurred with the June 2008 flood.

### **Facilities Governance Report**

With respect to the universities' fire safety needs listed in the report, Regent Evans asked about a timetable for implementing these improvements. Vice Presidents True, Madden, and Schellhardt explained that the completion of fire safety improvements is highly dependent upon available funding, and that current budget challenges are exacerbating the problem. They explained that they work to prioritize the projects within limited resources, and try to incorporate the work into larger renovation projects, where possible. In addition, the State Fire Marshal's office is generally cooperative in recognizing the universities' difficulties in addressing their fire safety needs due to a lack of resources. Joan Racki noted that in the case of potentially life-threatening fire safety deficiencies, the universities will promptly address or correct the deficiencies, or close the facilities until they can be made safe.

Regent Downer asked if the anticipated federal stimulus package might present funding opportunities to address these important fire safety improvements. Joan Racki reported that the Board Office and the universities are carefully following the development of the stimulus package for possible funding for fire safety projects.

The Facilities Governance Report can be found with Agenda Item 11 at the following link to the Board's web site:

[http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209\\_ITEM11.pdf](http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209_ITEM11.pdf)

## Regents Procurement Presentation

The institutional purchasing directors addressed the many efficiencies and successes of the individual and joint purchasing efforts of Iowa's public universities and special schools based on three key factors: uniqueness, best practices, and cooperative relationships.

### Uniqueness of Higher Education Purchasing

- Must be responsive to patient needs, supportive of research initiatives, and serve as a partner in developing revenue-generating contracts.
- Must support needs of faculty and students by responding timely to needs for research and materials, and be conscious of preferences, which contributes to recruitment and retention of both students and faculty.

### Best Practices

- Use of Strategic Sourcing – analyzing an institution's annual spend, examining opportunities to combine volumes, soliciting competition, structuring contracts in a manner that leverages spending to obtain greater discounts and other value-added concessions.
- The State's A. T. Kearny study on Strategic Sourcing (undertaken three years ago) validated that the Board of Regents joint procurement contracts are some of the best in class, and occasionally provide the best pricing in the country.
- Strategic Sourcing results in millions of dollars in cost savings annually, which are retained by departments and used for other initiatives and programs to maximize departments' resources.
- Effective use of technology to provide the most reliable and efficient procurement processes, which creates ability to shorten delivery time lines.

### Cooperative Relationships

- Collaboration is key to the institutions' ability to maximize value.
- Quarterly interagency purchasing meetings are held with purchasing management from the Regent institutions, Department of Transportation, Department of Administrative Services, and periodically, the Iowa Communications Network and Iowa Prison Industries.
- Cooperative purchasing is always a focus of the interagency meetings, and the discussions result in many collaborative agreements that benefit all parties.
- The Regent institutions have identified several other commodities for which other State agencies could benefit from participation in the Board of Regents joint purchasing agreements, including travel, disaster recovery planning, hospital equipment and supplies, and others.
- The Regent institutions work together to leverage their volume and obtain excellent pricing for shared contracts. The amounts expended through joint contracts have increased approximately 54% over last five years.

- While the Regent institutions have collaborated successfully with the State and Department of Transportation on many purchases over the years, there are still instances where participating with the State would significantly increase prices for Iowa's public universities and special schools.
- In higher education purchasing, some suppliers offer educational discounts to universities that would not be available to other State agencies.
- The Regent institutions belong to a number of cooperative buying groups that provide additional opportunities for best pricing. However, the pricing obtained by the institutions, either individually or jointly, is often equal or superior to what the pricing organizations can provide.

In addition, the Regent institutions are committed to purchasing from Iowa businesses whenever possible; total purchases from Iowa businesses currently range from 36% to 46%.

The purchasing directors thanked the Board of Regents for its support, explaining that this is critical for the institutions to maintain the competitive edge necessary to recruit and retain faculty and contribute to student retention.

Regent Gartner congratulated the purchasing directors on their work. However, he expressed concern with the false perceptions that the Board of Regent is uncooperative with the Department of Administrative Services, and that the institutions' purchasing operations are less efficient than claimed. In response to these perceptions, he urged the purchasing directors to continue to work carefully and closely with the Department of Administrative Services in an effort to explain our efficiencies and to offer as much assistance as possible.

President Miles thanked the purchasing directors for a job well done, and asked that they do all they can to continue to work cooperatively and collaboratively in an effort to find additional efficiencies and cost savings for Iowans.

Additional information on the Regents Procurement Presentation can be found with Agenda Item 8 at the following link to the Board's web site:

[http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209\\_ITEM08.pdf](http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209_ITEM08.pdf)

### **University of Iowa Capital Register**

University of Iowa Athletic Director Gary Barta addressed the Kinnick Stadium – Drainage Improvements and Turf Replacement project (\$2,025,000). He explained the existing deficiencies with the Stadium's aging drainage system (installed in 1989), the need to replace the system prior to the next football season in response to the high flood risk for the field, and the requirement to remove the existing natural grass playing field to undertake the project. He then addressed the synthetic turf that was selected as the replacement surface for the playing field.

Athletic Director Barta noted his concerns with proceeding with the project at this time due to the current economic situation and the budget challenges facing the University Athletic Department. However, while he expressed his preference to delay this expenditure, he also expressed his strong belief that delaying the project is not an option due to the many deficiencies with the drainage system and the high flood risk for the playing field. He indicated that no State appropriations, tax dollars, or tuition dollars will be applied to the project.

The University of Iowa Capital Register can be found with Agenda Item 12 at the following link to the Board's web site:

[http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209\\_ITEM12.pdf](http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209_ITEM12.pdf)

### **Annual Report on Student Retention and Graduation Rates**

Regent Downer inquired about the difference between the six-year non-resident graduation rates for minority and non-minority students at the University of Northern Iowa. President Allen explained that the University is not satisfied with the relatively low six-year graduation rate (31.3%) for non-resident minority students, and that the University is taking the following steps in response to this concern:

- Conducting a climate survey of students, faculty, and staff as part of its diversity initiative; in addition, the University has established a diversity council, diversity advisory committee, and annual town hall meetings to provide public accountability on a number of diversity issues.
- Conducting an assessment of a number of climate issues for first-year majority and minority students, including the availability of University resources and opportunities for student success.

Vice President Hogan noted that the University is working toward a transition in the campus culture that encourages, to a greater degree, the success of students from all backgrounds. He explained that the University's diversity efforts, such as the climate survey and assessment, are undertaken as a prelude to specific programmatic improvements.

Provost Lubker added that the University is addressing the diversity issue beginning at the college level with a diversity committee formed by each college dean. He also noted the University's participation in a radio show on a Waterloo African-American radio station, which is done for three primary reasons: 1) to increase the number of African-American students graduating from high school; 2) to encourage the graduates' enrollment in a secondary education; and 3) to encourage the graduates' enrollment at the University of Northern Iowa

The Annual Report on Student Retention and Graduation Rates can be found with Agenda Item 14 at the following link to the Board's web site:

[http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209\\_ITEM14.pdf](http://www2.state.ia.us/regents/Meetings/DocketMemos/09Memos/feb09/0209_ITEM14.pdf)

sd/docket/0209BoardMeetingReport.doc