

Contact: Andrea Anania

**ANNUAL REPORT ON COMPETITION WITH PRIVATE ENTERPRISE**

**Action Requested:** Receive the annual report.

**Executive Summary:** State laws prohibit government entities from competing with private enterprise unless specifically authorized by statute, rule, ordinance or regulation. The Iowa Administrative Code and Board Policy Manual state that Regent institutions shall not engage in competition with private enterprise unless the activity will assist in the education, research, extension or service mission of the institutions.

Each institution has a committee to review potential situations that may compete with private enterprise.

During the past year, Iowa State University approved six proposals and denied one request and the University of Northern Iowa approved one proposal. (See pages 3-4.) The University of Iowa did not receive any proposals for consideration.

**Background:**

Iowa Code Chapter 23A (Noncompetition by Government) prohibits a public entity from competing with private enterprise unless specifically authorized by statute, rule, ordinance, or regulation and authorizes the Board of Regents to provide, by administrative rule, exemptions to this prohibition for the institutions under the Board's control.

Iowa Code §23A.2(2) lists exemptions and §23A.2(8)k lists items for which the chapter does not apply. Both lists may be found on page 2.

Iowa Administrative Code (IAC) §681-9.4 and Board Policy Manual §2.2(8)(D) specify the Board's rules and requirements regarding competition with private enterprise by Regent institutions.

Each institution has established written policies regarding competition with private enterprise to ensure:

- ◆ Activities provided by the institutions are consistent with Board policy;
- ◆ Processes are identified to handle inquiries about activities carried out by the institution; and
- ◆ There is a means for community businesses to interact with the institutions including discussion of complaints.

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**Exemptions from Competition with Private Enterprise****Iowa Code  
§23A.2(2)**

The state Board of Regents or a school corporation may, by rule, provide for exemption from the application of this chapter for any of the following:

- a. Goods and services that are directly and reasonably related to the educational mission of an institution or school.
- b. Goods and services offered only to students, employees, or guests of the institution or school and which cannot be provided by private enterprise at the same or lower cost.
- c. Use of vehicles owned by the institution or school for charter trips offered to the public, or to full, part-time, or temporary students.
- d. Durable medical equipment or devices sold or leased for use off premises of an institution, school, or University of Iowa hospitals or clinics.
- e. Goods or services which are not otherwise available in the quantity or quality required by the institution or school.
- f. Telecommunications other than radio or television stations.
- g. Sponsoring or providing facilities for fitness and recreation.
- h. Food service and sales.
- i. Sale of books, records, tapes, software, educational equipment, and supplies.

**Iowa Code  
§23A.2(8)k**

This chapter does not apply to the following activities of an institution or school under the control of the state Board of Regents as provided in Iowa Code §23A.2(8)k or any other applicable provision of Iowa law.

- (1) Residence halls.
  - (2) Student transportation, except as specifically listed in §23A.2(2)(c).
  - (3) Overnight accommodations for participants in programs of the institution or school, visitors to the institution or school, parents, and alumni.
  - (4) Sponsoring or providing facilities for cultural and athletic events.
  - (5) Items displaying the emblem, mascot, or logo of the institution or school, or that otherwise promote the identity of the institution or school and its programs.
  - (6) Souvenirs and programs relating to events sponsored by or at the institution or school.
  - (7) Radio and television stations.
  - (8) Health care and related services to patients and visitors by the University of Iowa.
  - (9) Goods, products, or professional services provided to the public in furtherance of the institution's or school's mission.
  - (10) Services provided to the public at the Iowa State University College of Veterinary Medicine.
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**Analysis:****IOWA STATE UNIVERSITY****Department of Agronomy – Deep Soil Sampling**

Dr. Bradley Miller in the Department of Agronomy leads research focusing on digital mapping of soil and landforms enabling property owners and farmers to make informed decisions about their land use. Dr. Miller submitted a request to provide a service to collect deep core soil sampling for soil education, research and monitoring.

Dr. Miller's research group would drive to locations specified by the client and use its probe truck to extract a core from the soil. The core typically extends four feet into the ground, but deeper core samples are possible. The extracted soil is given to the client who may divide it into sections and take it to a lab for analysis. There are many commercial labs an external client could choose to send samples to after Dr. Miller's lab extracts the soil core.

Most commercial companies take shallow six-inch samples. Sampling deeper soil is more difficult but is in greater need due to interest in the amount of carbon stored in ecosystems. The lab aims to fill a gap in private sector services as no company currently offers deep soil sampling in Iowa.

Dr. Miller has a grant from the USDA to recruit and train industry partners to start offering this service across the Central Region. The lab hopes this will generate interest from private industry to recognize the value of deep core sampling and start offering the service. As private industries begin to provide this service, Dr. Miller's lab will publish those companies' names on the soil lab's website and promote using private industry services over ISU's.

As a land grant university, the study of soil resources is fundamental to education and research on the sustainable management of our land resources. Soil cores provide unique and efficient ways to study the soil properties and processes occurring below ground.

The Competition with the Private Sector Review Committee reviewed the request and determined the activity to be an integral part of the institution's educational, research, and public outreach functions and activities, and offering this service fills a void currently existing in the private sector.

The Committee approved the request.

**Department of Agronomy – Simulation Services**

The Department of Agronomy submitted a request to provide crop simulation services. The simulation service analyzes, predicts and provides crop yield estimates and potential environmental outcomes using different temporal (occurring over time) and spatial (occurring across different geographic locations) inputs. The simulated data will be provided in the form of maps, graphs or tables depending on the client's request.

The Department of Agronomy is not marketing the service and is unaware of any local private industry sellers of this service. The simulation services are primarily for the benefit of the campus community. At the time of the request, a written contract with a single external industry partner was anticipated.

The Competition with the Private Sector Review Committee reviewed the request and determined the activity to be an integral part of the institution's educational, research and public outreach functions and activities not readily available in the community and incidental to ISU's mission.

The Committee approved the request.

Department of Agronomy – Soil Crop and Environmental Diagnostics Lab

The Department of Agronomy submitted a request to provide internal and external researchers with a laboratory where they can bring dried, unprocessed soil and plant samples to be processed, weighed and analyzed for total carbon, nitrogen and sulfur concentrations.

The service will provide timely and accurate soil and plant nutrient concentration data which will help grow worldwide agricultural research and help Iowa farmers make appropriate nutrient management decisions. The program will also provide undergraduate and graduate students an opportunity to gain education, hands-on training and research experience working in a soil and plant analysis laboratory.

Whole, dried plant samples will be received and checked in by laboratory personnel. The samples initially will be ground to a two-millimeter consistency using a soil or plant grinder. The samples will then be ground to a finer consistency using a coffee grinder. Samples will be weighed into tin capsules and run through an elemental analyzer which will combust the sample into a gas. The analyzer records the carbon, nitrogen and sulfur gas levels released from the combusted sample to determine the concentration of carbon, nitrogen and sulfur contained in the soil or plant sample. Processing a sample takes approximately six minutes and ninety-two samples can be processed in one run. The resulting data will be compiled into a report and returned to the customer.

The Department of Agronomy provided a list of local entities (five private businesses and three ISU departments) who offer a similar service. Of the five private entities provided, three are in Iowa (Nevada, Grimes, and Ellsworth), one in Minnesota and one in Nebraska.

The other labs at ISU charge extra for samples not already prepared for analysis. Additionally, none of the other service entities provide sulfur analysis for soil and plant samples. Agronomy's lab will give researchers an all-inclusive price option that includes the cost for processing, weighing and analysis of samples as well as an option for sulfur analysis.

The Competition with the Private Sector Review Committee reviewed the request and determined the activity to be an integral part of the institution's educational, research and public outreach functions and activities.

The Committee approved the request.

Apparel, Events and Hospitality Management (AESHM) Summer Fashion Camp

AESHM requested approval to offer a Summer Fashion Camp designed to inspire children's interest in fashion, teach them about fashion design and encourage them to consider attending ISU after high school graduation. The camp is designed for children in eighth through twelfth grade.

The camp aims to inspire future fashion and design students who may not otherwise be exposed to these opportunities to discover an interest in the field. AESHM is not aware of similar programs in the area.

Offering this fashion design camp supports the educational mission and public service activities of ISU and provides an opportunity not readily available in the community.

The Committee approved the request.

Iowa State University Extension and Outreach

ISU's Field Extension Education Laboratory (FEEL), located in rural Boone, provides indoor classroom and outdoor field demonstration and event space. The facility is used primarily by campus departments, Extension and Extension 4-H for education and hands-on training. External companies are interested in using the space because of its unique indoor/field combination.

In 2021, the Committee approved external customer rental of the Enviratron Facility, a specialized facility located at FEEL. Research conducted in the facility is focused on climate change.

The current request seeks approval to rent all indoor and outdoor FEEL facilities and land to external agriculture and related companies. Revenue would be used to maintain the facility, replace field equipment and increase demonstration and training capacity.

The Competition with the Private Sector Review Committee reviewed the request and determined the activity to be an integral part of the institution's educational, research and public service functions and activities.

The Committee approved the request provided facilities use agreements are executed before each external rental instance. Agreements are reviewed and approved by the Senior Vice President for Operations and Finance.

Department of Liberal Arts & Sciences – Paleoecology Laboratory

Research in ISU's Paleoecology Laboratory, directed by Dr. Andrew Somerville, focuses on understanding past human-animal-environmental relationships, scientifically known as paleoenvironments (environments of past geological ages). The research combines archaeological excavation methods with specialized analyses and imaging of excavated materials. The specialized analyses include stable isotope analysis (SIA), a technique used to determine a substance's origin or composition.

SIA is a popular research tool in a range of disciplines. Laboratory services to prepare and process biological specimens are essential for such research but are unavailable locally. The Paleoecology Lab submitted a request to provide SIA services to external scholars who need samples processed.

Processing samples from scholars outside ISU would allow more undergraduate research assistants to gain research experience and practical laboratory skills. Additionally, the program would enable Dr. Somerville to engage in a broader range of collaborations and joint research projects.

The Competition with the Private Sector Review Committee reviewed the request and determined the activity is an integral part of the institution's educational, research and public service functions and activities and is not readily available in the area.

The Committee approved the request.

Logistics and Support Services (LSS) – Central Stores and Chemistry Stores

Central Stores and Chemistry Stores serve as campus hubs for the economical procurement and distribution of goods and services for university departments and institutes. These stores are crucial in streamlining the availability of commonly used products on campus and providing essential resources to support the university's academic and administrative functions.

The stores operate with a mission to facilitate the procurement and distribution of goods and services to meet the manifold needs of the university community while adhering to sustainable and cost-effective practices. Central Stores and Chemistry Stores stock products for departmental purchase, such as maintenance, repair and operation (MRO) supplies, personal protective equipment (PPE), non-restricted lab supplies, tools, janitorial supplies, paper products and office supplies.

LSS explored the possibility of offering Central Stores and Chemistry Stores goods to students, faculty and staff for personal purchase. The inquiry stemmed from the varied needs, preferences and requests of university students and personnel and the desire to provide convenient access to high-quality products.

By offering personal sales to students and staff, LSS aimed to benefit the university community by providing:

- ▶ Convenience: External sales would provide students, faculty and staff with a one-stop shop and convenient location for various essential items eliminating the need to visit multiple stores or online retailers.
- ▶ Support for the university: Profits generated from sales would be reinvested into the university community to support various campus initiatives contributing to the overall growth and success of Iowa State University.

The Competition with the Private Sector Review Committee reviewed the request and determined that local, privately-owned entities readily provide the same goods; therefore, the Committee viewed the proposal as direct competition.

The Committee denied the request.

**UNIVERSITY OF NORTHERN IOWA**

The Jacobson Center for Comprehensive Literacy is creating a children's picture book. The book is an alphabet story about UNI. Students and staff will create and publish the book.

The book will give children the opportunity to learn letters and experience UNI. For families and alumni, the book will provide an opportunity to share aspects of the UNI experience with younger children through learning the alphabet.

The Competition with Private Enterprise Review Committee determined the activity is being carried out for the primary benefit of the campus community and is incidental to the education, research, service and extension missions of the university.

The Committee approved the request.