

The State Board of Regents met electronically on Tuesday, September 1, 1987.
The following were in attendance:

Members of State Board of Regents

Mr. Pomerantz, President
Mr. Duchon
Mr. Fitzgibbon
Mr. Greig
Dr. Harris
Mr. Tyler
Miss VanEkeren
Mrs. Williams

Office of the State Board of Regents

Executive Secretary Richey
Director Barak
Director Wright
Assistant Director Peters
Minutes Secretary Briggie

State University of Iowa

Vice President Phillips
Associate Vice President Moll
Director Bauer

Iowa State University

President Eaton
Executive Vice President McCandless
Vice President Christensen
Vice President Madden
Assistant to President Crawford
Director Lentz

University of Northern Iowa

President Curris
Exec. Ass't. to President Stinchfield
Director Chilcott

Iowa School for the Deaf

Superintendent Johnson
Business Manager Kuehnhold

Iowa Braille and Sight Saving School

Superintendent Thurman
Business Manager Berry
Director Malone
Admin. Ass't. Craddock

GENERAL

The State Board of Regents held an electronic Board meeting on Tuesday, September 1, 1987, commencing at 2:10 p.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not possible to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations:

Regents Board Office, Des Moines, Iowa
1012 Jessup Hall, University of Iowa, Iowa City, Iowa
Room 125, Beardshear Hall, Iowa State University, Ames, Iowa
Board Room, Gilchrist Hall, University of Northern Iowa,
Cedar Falls, Iowa
Administrative Offices, Iowa School for the Deaf, Council Bluffs,
Iowa
Administrative Offices, Iowa Braille and Sight Saving School,
Vinton, Iowa

The press was in attendance at the Regents Board Office (Linda Lantor, Des Moines Register and Scott Sonner, United Press International), the University of Iowa and Iowa State University.

The following business pertaining to the general docket was transacted.

APPROVAL OF CONTRACT FOR CONSULTANT FOR ORGANIZATIONAL AUDITS. The Board Office recommended the Board authorize the President of the Board of Regents to approve the proposal of Peat Marwick Main & Co. and MGT of America, Inc., to conduct Phase I of an organizational audit of the five Regent institutions and the Board Office.

President Pomerantz asked Mr. Richey to bring the Board members up to date on progress made toward the performance of an organizational audit of the five Regent institutions and the Board Office.

Mr. Richey stated Board members, Board Office staff and institutional representatives had been working on the selection of a consultant for Phase I of the organizational audits since the July Board meeting. At that meeting Board members agreed to hold an electronic meeting to select a consultant.

Mr. Richey stated Board Office staff and the Advisory Group on Organizational Audits, which included President Pomerantz, Regents Duchen and Williams, and institutional representatives, assessed the five proposals received. They agreed that two proposals would not be considered. The firms that submitted the remaining three proposals would be interviewed to discuss their

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proposals. Upon completion of the interviews, the Advisory Committee unanimously selected the firm of Peat Marwick Main & Co. and MGT of America, Inc. to conduct Phase I of the organizational audits.

President Pomerantz stated all three firms did an excellent job in preparing for the undertaking and had made fine presentations. He said it was clear to the entire committee that the firm of Peat Marwick Main & Co. and MGT of America, Inc. was a "cut above the rest" in their presentation and approach to the program. The Advisory Committee members unanimously agreed that Peat Marwick/MGT should be given the Phase I contract. President Pomerantz added that Peat Marwick agreed to embellish their staff to address certain structural areas of their proposal. President Pomerantz asked the Board to award Peat Marwick and MGT of America, Inc. the contract.

Regent Harris asked for clarification on President Pomerantz's statement that Peat Marwick was a "cut above the rest". President Pomerantz responded that Peat Marwick had researched all five institutions, perhaps more in-depth than the two competing firms. He said they were also more comprehensive in their entire approach. The committee members felt the quality of the resources proposed by Peat Marwick and MGT of America, Inc. were also superior to the competing firms.

Regent Harris asked if Peat Marwick had an advantage by having the state's contract for review of the state government organization.

President Pomerantz responded that that fact did not enter into the deliberations.

In regard to the Advisory Group's recommendation that Peat Marwick strengthen its proposal by adding certain persons, Regent Harris asked if those individuals had been selected.

Mr. Richey responded that Peat Marwick had individuals on its team knowledgeable in those areas; however, the Advisory Group asked that they augment its staff by working with the institutions and others to suggest additional persons. He said when those persons are agreed to by the Advisory Group they will be added to the team. He said the Advisory Group discussed with Peat Marwick Main & Co. the areas they would like to see strengthened.

Regent Williams asked President Pomerantz to clarify the group's intention to add an academic person because she felt that portion may be confusing to persons who had not attended the Advisory Group meeting.

President Pomerantz stated the Advisory Group discussed the need for strong academic representation on the team. He said some of the discussion centered around the academic consultant. The group wanted to ensure the team possessed strong academic credentials in order to gain the respect of those with whom they would be working.

Regent Williams expressed the view that people who are now involved in higher education should be involved in the organizational audits since they would have an understanding of the types of higher education audits that are performed.

President Pomerantz noted the Advisory Group expressed to the firm during their meeting that the Regents considered the five Iowa institutions to be of excellent quality right now, and it was not the intention or purpose of the Board to tear them down but to make them even better.

Regent Duchen stated the Advisory Group members emphasized their support for the special schools. He said some of them were concerned that, considering what the Board had just gone through with problems associated with the special schools and had new special schools superintendents on board, they make sure the special schools did not come out second. He said the proposal identified many resources but the committee wanted to make sure that Peat Marwick would come forth with additional support personnel.

MOTION:

Regent Harris moved to authorize the President of the Board of Regents to enter into a contract with Peat Marwick Main & Co. and MGT of America, Inc. to conduct Phase I of an organizational audit of the five Regent institutions and the Board Office, as presented. Regent Williams seconded the motion.

Regent Greig stated that the more he read about the Peat Marwick Main & MGT proposal the more excited he became about what the Regents are trying to do. He said he was especially excited after this meeting.

Regent Harris stated he shared Regent Greig's feeling of excitement.

President Pomerantz stated that those he had talked with about the organizational audits were also excited about it. He stressed that this is a very positive program, the purpose of which is to make the institutions more efficient and improve their credibility. He said he believes the organizational audit will be a valuable tool, and instrumental in shaping strategic plans in the coming years.

Mr. Richey stated it was the Board's intention that the institutions retain any dollars that are saved through this effort.

President Pomerantz stated it was the Advisory Group's understanding, also, that resources saved by the identification of more efficient methods of operation would stay with the institutions.

