

Iowa regents select consultant to identify savings at universities

Staff levels, services, academics all to be examined

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The Iowa Board of Regents hired a consulting firm Tuesday to identify ways to cut costs at the state's three public universities.

The regents voted 9-0 to hire Deloitte Consulting LLP to conduct a wide-ranging study of Iowa State University, the University of Iowa and the University of Northern Iowa — the largest such review in a generation. The company will find potential cost savings by proposing plans to change how the universities are structured and services are delivered, regent documents show.

The regents will ask New York-based Deloitte to review demand for academic programs, administration of athletic departments, the effectiveness of spending on advertising and much more. Changes in staffing levels, cuts in inefficient programs, the sharing of services across universities and efforts to boost revenue will all be on the table.

Board President Bruce Rastetter said the review, which he called a “comprehensive study that looks at every single aspect” of the universities, would be even broader than a review conducted in the late 1980s, which led to programs being eliminated, millions in savings and turmoil on campuses in Ames, Cedar Falls and Iowa City.

Rastetter pledged that the review would involve faculty and staff input from the beginning and be conducted “in an open and transparent way.” The universities have a unique opportunity to plan for the future, given that they're not facing financial difficulties, he said.

“We're undertaking it when we have healthy universities that want to continue to get better, be more efficient, be true to their academic missions and keep the students' interest in mind for future generations of Iowans,” he told reporters after the meeting. “That's why we're doing it.”

Regent Larry McKibben, who chairs a review committee, said Deloitte was selected out of 10 bidders because of its experience in higher education and willingness to scrutinize “both administrative and academic areas.” He said Deloitte would be able to navigate an ambitious timeline without getting bogged down.

Deloitte has worked for dozens of universities, but Iowa’s review “might have as broad a scope” as anything the company has done, McKibben said.

The regents voted to spend \$2.5 million for Deloitte’s services through 2014, and will decide later whether to retain the company while plans are implemented. Rastetter said the universities expect to save six to 10 times as much as whatever is spent on consulting fees, based on similar efforts at other schools.

But Danny Homan, president of American Federation of State, County and Municipal Employees Council 61, which represents university employees such as custodians and clerical workers, said the \$2.5 million in fees would be “a terrible expenditure of money.” He said he doubted an outside consultant could come up with cuts that make sense and save money.

“I severely doubt that this is going to improve the quality of life for the kids that are attending our state institutions,” he said.

Faculty and staff leaders also were wary of the review.

University of Iowa history professor Jeff Cox said he hoped it wouldn’t lead to the elimination of academic programs such as those cut two years ago at UNI.

“I hope they understand that these universities are not big corporations and that one business model doesn’t work across the board in higher education,” he said.

U of I Staff Council President Randy Nessler, whose group represents 5,700 professional and scientific employees, said employees have already picked up extra duties as a result of job vacancies from previous rounds of belt-tightening.

“I’m afraid that once again we’re going to have to do more with less,” he said.

The review has parallels to one completed in 1989 by Peat Marwick Main and Co. that prompted the elimination of 20 university programs. Other recommendations —

including plans to close Iowa State's journalism school and a UNI home economics program — were scrapped amid outrage.

In his autobiography, Marvin Pomerantz, who was board president at the time, recalled how the public and media “went bonkers” over the cuts. But he said the review saved money by closing inefficient programs and improved the universities' strategic planning.