

## GENERAL

The State Board of Regents held an electronic Board meeting on Tuesday, August 29, 1995, commencing at 10:00 a.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not practical 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:

Board of Regents Office, Old Historical Building, E. 12th and Grand, Des Moines  
University of Iowa, Old Public Library Conference Room, Iowa City  
Iowa State University, 117 Beardshear Hall Conference Room, Ames  
University of Northern Iowa, Gilchrist Hall Board Room, Cedar Falls  
Iowa School for the Deaf, Business Office, Administration Building, Council Bluffs  
Iowa Braille and Sight Saving School, Superintendent's Area, Main Building,  
Vinton

The minutes secretary called the roll and the following members were present:

Marvin Pomerantz  
Thomas Collins  
Owen Newlin  
Nancy Pellett  
Beverly Smith  
John Tyrrell

President Pomerantz noted that Regents Dorr and Kennedy would be added to the conference call as they became available.

The following business pertaining to general or miscellaneous business was transacted on Tuesday, August 29, 1995.

**AWARD OF CONTRACT FOR CONDUCTING THE REVIEW OF THE ORGANIZATIONAL AUDIT.** The Board Office recommended the Board (1) approve the award of contract to the Pappas Consulting Group to conduct a review of the Organizational Audit and to make recommendations, and (2) approve the institutional assessments for the cost of the review of the organizational audit, as follows:

Board Office

\$800.00

Iowa Braille & Sight Saving School	\$1,500.00
Iowa School for the Deaf	\$2,500.00
University of Iowa (General)	\$88,000.00
University of Iowa (Hospitals)	\$22,000.00
Iowa State University	\$88,000.00
University of Northern Iowa	<u>\$22,000.00</u>
TOTAL	\$224,800.00

The Board Office issued a Request For Proposals (RFP) for a review of the organizational audit as directed by the Board of Regents at its July meeting. The proposals were sent to a number of firms known to have a higher education consulting practice.

Three proposals were submitted in response to the request:

MGT of America  
KPMG Peat Marwick  
The Pappas Consulting Group Inc. (an alliance firm of KPMG Peat Marwick).

The estimated costs for the proposals were:

\$134,410 (KPMG Peat Marwick)  
\$224,800 (Pappas Consulting Group)  
\$236,811 (MGT of America).

The purpose of the review is to assess the actions taken in response to the recommendations in the organizational audit done six years ago and to recommend any additional actions needed for greater efficiency and effectiveness. Special attention is to be given in the review to the Board's and the institutions' budgeting practices and procedures and strategic plans.

The proposals were reviewed by President Pomerantz, Dr. Barak, and by the Executive Director. The proposals were assessed on:

comprehension of the intended project by the firms;  
the nature of the study the firms would conduct;  
the qualifications of the persons who would do the work on the project;  
the estimated cost of the engagement.

The Pappas Consulting Group's proposal appeared to be the most responsive to the Board of Regents' intentions for the study. Following that conclusion, discussions were held by the Executive Director with Dr. Pappas to refine the details of the proposal and to reduce the costs to the institutions.

The Pappas Consulting Group's proposal is for a comprehensive study that would review progress since the last organizational audit and provide expert guidance for future actions. The Pappas Consulting Group's staff presents a good balance of persons with strong experience and skills to address the needs of the audit. All personnel in the Pappas Consulting Group who would work on the project are at the partner or senior director level and have significant expertise in higher education strategic planning, and human resources.

Dr. Pappas has extensive experience in working with higher education and proposed to have persons with excellent credentials participate in the study. Dr. Alceste Pappas directed the

field work on the last organizational audit and is familiar with the institutions and the issues involved, requiring less time to complete the review.

The approach proposed by the Pappas Consulting Group provides for appropriate institutional input and involvement and provides for critical consultation, which is important to the success of the effort.

The proposed schedule of the Pappas Consulting Group allows completion of the study in time for consideration by the Board at its February 1996 meeting. Implementation of some of the recommendations could perhaps begin with the fiscal year 1997 budget.

The cost of the Pappas Consulting Group's proposal is reasonable.

The President of the Board of Regents, the Executive Director, and the Deputy Executive Director would constitute a Regent oversight committee for the project. Dr. Barak, Deputy Executive Director and Director of Academic Affairs and Planning, would act as primary liaison for the study. Monthly progress reports will be made to the Board.

The proposal of MGT of America, Inc., was comprehensive and the firm has extensive experience in education.

The completion date for the study by MGT would be at the end of February 1996. MGT proposed to use an interinstitutional campus liaison committee to provide advice and assistance for the study. The cost of the MGT of America, Inc., proposal was \$236,811.

MGT was utilized by the Iowa Board of Regents to do a study of institutional purchasing practices about three years ago.

The proposal of KPMG Peat Marwick was far less comprehensive than those of the Pappas Consulting Group and MGT, which is reflected in its estimated cost of \$134,410.

KPMG Peat Marwick personnel who would work on the project have less experience in higher education than either the Pappas Consulting Group or MGT of America.

KPMG Peat Marwick would complete the project on March 1, 1996.

President Pomerantz stated that the purpose of this meeting was to consider the award of contract for the review of the organizational audits. The Board, in July, authorized the Board Office to issue Requests for Proposals, which was done. He then recognized Executive Director Richey to report on the proposals and recommendations.

Mr. Richey stated that the Board Office followed through on the Board's directions to issue a Request for Proposals to educational consulting firms to review the actions that have been taken in the intervening years since the organizational audits were received. The consultant will review all of those actions and ascertain whether appropriate actions have been taken and whether additional recommendations are in order.

(President Koob was added to the call at this point in the meeting.)

Mr. Richey reported on the proposals received from three firms, noting that the Regents had been provided with the details of the individual proposals. After reviewing the proposals, the

Board Office determined that the Pappas Consulting Group was the best fit. The Board Office negotiated with the firm and recommended awarding the contract to the Pappas Consulting Group in the amount of \$224,800. The cost is to be assessed to the institutions.

(Regent Dorr was added to the call at this point in the meeting.)

Mr. Richey noted that the reasons for selecting the Pappas Consulting Group over the other two were set forth in the docket memorandum. All of the work is to be done by the end of January except for the final report.

(Regent Kennedy was added to the call at this point in the meeting.)

MOTION: Regent Tyrrell moved to . Regent Smith seconded the motion.

Regent Tyrrell asked how many firms were solicited and how those firms were chosen. Mr. Richey responded that the Request for Proposals was sent to 11 firms. The Board Office consulted with Regent institutional officials as well as officials of other higher educational institutions.

Regent Tyrrell asked whether the \$224,800 fee of the Pappas Consulting Group included expenses such as meals and lodging. Mr. Richey responded that the \$224,800 fee included all the expenses.

Regent Tyrrell stated that, in reviewing the information provided in the docket memorandum, it appeared that there would be minimal involvement of the Board in the study. It was proposed that a committee provide the Board with monthly briefings. He questioned whether the Board members should be more conversant with what goes on and not be observers. It was not acceptable to him that the Board members were not more involved. The Regents need to know how the process is being handled and the directions in which the study is headed. He said he was not willing to proceed with the plan as proposed although he was in favor of the firm.

President Pomerantz stated that it appeared to him that Regent Tyrrell had jumped to a conclusion that the Board members were going to have minimal consultation on a month-to-month basis. He said the process as it was proposed was to have a liaison committee. He is the Regent liaison on that committee. It was not practical to have nine people working with a consulting firm. It was his intention to have periodic twice-a-month telephonic briefings for the Regents. He stressed that the Regents would have input. He noted that the Board members had elected him as their president and this was one of the leadership matters for the President of the Board of Regents.

Regent Collins asked who else would be on the liaison committee. Mr. Richey responded that he would be on the committee in addition to President Pomerantz, as well as Dr. Barak and institutional liaisons.

Regent Collins questioned whether Regent Tyrrell was suggesting that it might be appropriate to include another Regent on the committee.

Regent Tyrrell stated that he was questioning the recommendation that the oversight committee participate in bi-weekly meetings with the consultants, and that regular monthly progress reports be presented to the Board.

President Pomerantz responded that Regent Tyrrell's understanding of the process was the manner in which it would be done. In addition to that, however, President Pomerantz will keep the Regents posted on whatever is an appropriate basis but certainly more than once a month.

Regent Tyrrell said he wished to see a work plan. He felt that the recommendation, as proposed, would not keep the Regents informed and involved.

President Pomerantz responded that if, during the study, the Regents felt there was not enough involvement on their part, this subject could be discussed further. He said they did not need to micromanage a consultant in terms of a strategic audit. The reason for this effort is to get the Regent institutions on a strategic path. He said the President of the Board was adequate to both communicate with the Board and to do whatever is necessary at the Board's discretion.

Regent Collins stated he agreed that nine people should not be involved with the consultant; however, one Regent was clearly not enough. There needs to be more Regent input than that of just one Board member.

Mr. Richey stated that during the study process each individual Regent will be interviewed by the consultants regarding his or her concerns.

Regent Pellett said she agreed with Regent Collins and suggested that a good compromise would be to add another Regent to the oversight committee. Regent Smith said she agreed that two members of the Board of Regents would be adequate. Regent Dorr said he believed that having two members of the Board on the oversight committee would be an adequate compromise. Regent Kennedy said she agree that involving two Regents on the committee would be a good compromise.

President Pomerantz selected Ellengray Kennedy as the second Regent on the committee, if she was willing to serve in that capacity.

Regent Pellett stated that the selection of Regent Kennedy was a wise choice because she was one of the new members on the Board of Regents, and would be involved for the duration of her term on the Board.

Regent Tyrrell referred to the proposed timetable for the study which included a preliminary planning meeting, development of the methodology for the pre-audit, etc. He asked if it would be appropriate to those timeposts as opportunities for the Regents to be brought up to date on the project.

President Pomerantz said there could be routine communication at any of those junctures. He suggested that Dr. Barak develop such a schedule and forward it to the Regents. He noted that any Regent should feel free to call Mr. Richey, Dr. Barak or himself any time they wish to be updated.

Regent Collins referred to the statement that Dr. Pappas was involved in the original organization audit. Was she with Peat Marwick at that time? President Pomerantz stated that when the Board selected Peat Marwick to perform the organizational audit, the firm was directed to have higher education consultant in the consulting group. The consultant chosen was Dr. Pappas, who since then has formed her own firm. Dr. Pappas contracted with Peat Marwick.

Regent Collins said he felt that Dr. Pappas' involvement with the original audit would provide a very good dovetail.

Regent Dorr said the Pappas Consulting Group letter dated August 4 indicated that immediately following letter of transmittal would be a background section that enumerated their understanding of the Regents' needs. He did not receive the background section and asked that he be provided with copy.

Dr. Barak responded that, to his knowledge, the Board Office had not received that information. He questioned whether the reference might actually be to the appendices.

Regent Dorr stated that in the appendices is an enumeration of the firm's qualifications and background. There appeared to be a great deal of focus reengineering and (inaudible) administrative functions.

Regent Dorr said it was his understanding that there were three fundamental needs relative to the audit: 1) Assistance in the overall Board Office and Regent structure relative to the institutions. 2) Development of a methodology to determine what services and programs should or should not be offered. 3) The effectiveness and efficiency of employees involved with the instructional mission. He said there was nothing in the dialogue that he received which suggested that those three specific areas were going to be covered. He asked whether others felt those three issues were legitimate concerns of this study.

President Pomerantz responded that the classroom was not to be covered in this study.

Regent Dorr stated that he was talking about developing a methodology for the Board members and institutional officials to help determine when and how programs should start or stop. He said that as the Board has tried to work toward excellence the review of the viability of individual academic program has been a dilemma.

President Pomerantz said that what Regent Dorr had just described was very much a part of the study and would be part of the focus.

Regent Dorr responded that in reading the materials from the consulting firm he did not see that type of effort addressed.

President Pomerantz stated that which programs are marginal and which programs are centers of excellence may very well be identified, by college, where appropriate. He said that would be part of the scoping that is yet to come.

Regent Dorr stated that in addition to identifying those individual programs, there needs to be a methodology developed to assist the Regents as they move forward in making those determinations in the future.

Regent Collins said part of the scope should be the development of a system that will allow the Regents and institutional officials to analyze programs.

President Pomerantz said that type of suggestion should be directed to Dr. Pappas for consideration.

Regent Dorr expressed concern about the emphasis on reengineering administration that he perceived from the documents submitted by the Pappas firm. He was not convinced that the Regent universities are overadministered.

President Pomerantz said they ought to look at it and he thought that was thh intention. If a more efficient organizational structure can be achieved, then they ought to move toward it.

President Pomerantz stated that this is a strategic study. It is going to deal with administration, academics, service, and somewhat with research. Parameters will be developed for the study. The parameters around the strategic planning process should take place. The missions, goals and objectives of the strategic plans and the component parts should be reviewed. A determination can then be made as to how faithful they have been to the plans and whether they have honestly gone forward and executed the plans to the best of their ability. If they have not, a determination will be made about what needs to be done to shore that up, and set the stage for the future.

Regent Dorr stated that the information in the appendices in the documentation was not focused that broadly. The direction was much more centrally focused on reengineering administration. He wanted to make sure they convey to the Pappas group the extent and the broadness of what President Pomerantz had just outlined.

President Pomerantz said Regent Dorr expressed a legitimate concern. It is appropriate to raise the issue to ensure those areas for study are emphasized. He noted that the first phase of this study will be to determine the scope. All of the Regents should have input at that point. They can then develop a more appropriate scoping so that we cover the issues as described by Regent Dorr.

Director Barak said it was his sense that the appendices was boilerplate material. He noted that "reengineering" is a buzzword in higher education.

Regent Collins asked for the time line for completion of the study. President Pomerantz responded that it was due to be completed in January or February 1996.

Regent Collins said he was looking forward to proceeding with this effort. He asked that the Regents be mindful that this is a follow up. They may wish to ask the consulting firm to suggest how often they should perform this type of exercise so this is a continuing type of effort.

VOTE ON THE MOTION:                      The motion was voted on it carried unanimously.

**BOARD MEETINGS SCHEDULE.** The Board Office recommended the Board approve the Board Meetings Schedule.

September 20-21, 1995    University of Iowa

Iowa City

October 18-19	University of Northern Iowa	Cedar Falls
November 15-16	Iowa State University	Ames
December 13-14	Hotel Fort Des Moines	Des Moines
January 17, 1996	Telephonic	
February 21-22	University of Iowa	Iowa city
March 20-21	University of Northern Iowa	Cedar Falls
April 17-18	Iowa State University	Ames
May 15 (p.m.)	Iowa Braille and Sight Saving School	Vinton
May 16	University of Iowa	Iowa City
June 19-20	University of Northern Iowa	Cedar Falls
July 17-18	Iowa State University	Ames
September 18-19	University of Iowa	Iowa City
October 16-17	University of Northern Iowa	Cedar Falls
November 20-21	Iowa State University	Ames
December 11	To be Determined	Des Moines

ACTION: President Pomerantz stated that the Board Meetings Schedule was approved, by general consent.

**ADJOURNMENT.**

The electronic meeting of the State Board of Regents adjourned at 10:31 a.m., on Tuesday, August 29, 1995.

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R. Wayne Richey  
Executive Director