

July 10, 2001

Mary Sue Coleman
President
University of Iowa
LOCAL

Dear President Coleman:

Finance and University Services (FUS) senior staff and I have had an opportunity to review the May 18, 2001, Final Report of the Committee to Review the Office of the Vice President for Finance and University Services. I am pleased that the Final Report recognizes the hard work and dedication of FUS staff. Please express my thanks to the members of the Committee and Chairman John Menninger for the time they have volunteered and for their efforts in preparing the final document. I would like to comment briefly on a number of the topics addressed in the executive summary of recommendations (a copy of which is attached for your reference). These comments are banded into the categories of recommendations found in the Final Report.

Planning

The University's annual capital request and the University's five-year capital plan for state funds are both subject to Board of Regents detailed review and approval. The annual request and the five-year plan are reviewed by the Vice Presidents Group before they are submitted to the Board of Regents. Both items are docketed by the Board office, are placed on the Regents' web page prior to the Regents' monthly meeting, and are reviewed at two successive Board meetings. We also review with the Board annual and five-year plans for capital projects from all fund sources -- including UIHC and restricted funds sources. The University community and the public have been informed of capital projects in a variety of ways; however, I agree with the committee that we can and should do more to inform the University community and the public of contemplated capital programs.

It is important to point out that the director of FSG (Facilities Services Group) and members of his staff are in regular contact with city officials (Iowa City and Coralville) informing them of University capital programs. Cooperation and cordial relationships are the norm. The Iowa Avenue and Mormon Trek improvement projects, currently under construction, are excellent examples of cooperative ventures undertaken by the cities and the University. We intend to continue developing these relationships.

Responsibility and budgeting for facilities improvements is not a simple matter. It involves many persons – and should. The overall General Education Fund budget for building repairs and equipment is set by the President. Thereafter, overall project priorities are set by FREC (the Provost, the Vice President for Research and the Vice

President for FUS) and allocations are made to various projects or sub-allocated to a University office to manage. Members of the FSG team, including staff from Operations and Maintenance (O&M) are often, if not always in attendance at FREC meetings. Members of the faculty, and collegiate administrators have been welcomed to attend FREC meetings in the past. In the future, the FREC-established budgets for equipment and building repairs will be shared with deans, leaders of the faculty and staff budget committees, and the Campus Planning Committee (CPC).

We will continue to review annually with the Campus Planning Committee both the annual capital request and the five-year capital plan. The CPC plays an important role in representing the views of the University community. Its members serve on individual project teams and thus the CPC plays an early, significant role in the design of capital projects. John Amend and I will strive to do even more to involve the Committee in critical decision-making processes. We value their contribution.

FSG project managers consult continually with the appropriate building and academic administrators prior to and during the course of a construction project. In meeting that responsibility, they are now and will continue to be guided by department and collegiate officers.

Comments on the PeopleSoft project are found under "Staff Size" below.

Organization

The administrative home for Recreational Services is a presidential judgment. FUS will take the appropriate steps to assure continued financial support for Recreation Services regardless of its administrative location.

The point on FREC organization is addressed under "Planning" above.

Staff Size

The University of Iowa has long been recognized as providing exceptional service with a small administrative staff. Attached is a comparison with selected AAU institutions with health care centers which shows the number of administrators and managers as a fraction of total faculty and staff.

FUS recognizes the importance of training in the implementation of software systems. Many of the comments in the Final Report with respect to the PeopleSoft HR implementation are dated, and that was recognized by the Committee. Representatives from Indiana University are now consulting with our HRIM (Human Resources Information Management) team to learn how the PeopleSoft transition was accomplished as well as it was. Our experience has made us wiser as we implement further software upgrades, not only from a technical point of view, but also how one

manages the process of change itself. Training is a part of the process and UI as a whole should always be sensitive to that point, and we will strive to do that in change processes within FUS.

Business processes are continually reviewed for efficiency. Many Payroll and Benefits functions have been streamlined or eliminated reducing the workload for central Human Resources (HR) staff. Following a review of staffing levels, personnel have been reassigned from Benefits and Payroll to HRIM. An extensive program of cross-training is being conducted in units, Payroll and Benefits in particular. Grant Accounting likewise has recently implemented another round of cross-training initiatives, the third since 1995. It is an aspiration to extend this pattern across FUS department lines – finance, business services, HR and facilities.

Delivery of Services

FUS has implemented a system of program reviews to continuously evaluate and improve the delivery of services to the campus. Through this system, a unit review of Employee and Labor Relations was conducted in the year 2000 and the concerns expressed in the FUS review were examined. Recommendations were made and a majority of the recommendations from that review have been implemented. A supplemental, follow-up review will occur this year.

An external review of Immigration Services was completed in April 1999. The committee recommended maintaining employment-based Immigration Services with Human Resources due to the close coordination required in these matters with various HR functions. Consultation with the Provost's office, General Counsel and various University employers will continue to take place to assure this is the best solution.

The HR Staff Development Office has designed and implemented a program series which is specific to exploring individual career development. In response to the wide variety of work schedules, when feasible, professional development opportunities are offered at variable times.

Grant Accounting recently made reports accessible through the web to provide timely and easy access to grant accounts.

FSG continuously reviews the services it can provide through Operations and Maintenance (O&M) versus the utilization of outside contractors. When external contractors are used – as is the case in a large majority of projects – we need to do more in reviewing their work to assess performance. If necessary, we need to take steps early on to see that errors are corrected, or in extreme circumstances cause recalcitrant contractors to lose eligibility for future work at UI. In the later instance we will need to work within the Regents system and political process to require more accountability by contractors. This we will pursue.

FSG has initiated the use of a “project charter” which is designed to promote appropriate levels of involvement in the project by departmental customers. Other comments contained in the Final Report with respect to FSG charges and billing cannot be reviewed because of the unavailability of specifics, but as an organization we will do all we can to promote fair pricing and accountability.

Itemization of Mail Services billing is now available via the web. Additionally, major changes are planned to lower costs and reorganize Mail Services while maintaining essential campus services. Support services for mail, printing, and materials management are being combined.

Laundry services continues to be a topic of discussion within FUS. It will be reviewed comprehensively within the next two years to determine if the critical factors in the decision to finance and operate a laundry for all UI operations remain compelling.

Measurement

The last full-scale survey of faculty, staff and students was conducted by the Iowa Social Sciences Institute in 1997, at the request of FUS. FUS’ CQI (Continuous Quality Improvement) Program is developing a departmental customer satisfaction tool that can be used to assess user satisfaction. We are committed to conducting periodic polls to gauge customer satisfaction with the services provided by FUS units. The compilation of customer satisfaction data is an important component of self-assessment and needs to be incorporated in some form within all FUS unit reviews.

HR has created an extensive web site on performance appraisal which provides guidelines and resources for both supervisors and employees. This will assist the entire University as it attempts to attain a new strategic plan target indicator of increasing to 100% the participation level of staff-supervisor participation in annual performance reviews.

Communication

Several communications projects are underway. FUS has conducted “listening posts” in conjunction with the Campus Planning Committee with respect to the current Campus Planning Framework. But human nature being as it is, such meetings have been sparsely attended, absent an immediate issue or controversy. FUS has recently launched a new web site which we hope will provide additional information on our many activities and responsibilities to the community. Design and Construction Services within FSG is improving its construction web site to provide timely and informative updates on major projects. As has been pointed out above, we will continue to utilize the members of the CPC to the degree their schedules allow, and will continue to meet regularly with city officials. Through our communicating with city officials and the CPC, we will be guided about neighborhoods as well as when and how communications should occur at that level.

On a broader scale, communication of what we are doing or proposing, and how we intend to reach objectives is a recurrent theme of this report. Communicating effectively with diverse constituencies is increasingly important in a university with shared governance and many interested parties. The communications conundrum that we will constantly face is how and when to communicate with our University and community constituents without violating our understandings with and responsibilities to our governing board - the Board of Regents. This is not simple nor subject to uniform solutions. However, it is our objective to be inclusive with the UI community and to communicate our issues and decisions in ever more effective ways while meeting our obligations to the Regents.

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This concludes the review process which began with our self-study. Although now retired, I would like to thank Mary Jo Small for her work all along in helping this process and advising me. She is a wonderful person whom we miss as a working partner.

It is my understanding that one year from now the Committee will reconvene to look at what has been accomplished. We welcome that and would welcome now any questions you may have.

Sincerely,

Douglas K. True
Vice President for Finance & University Services

COMPARISON UNIVERSITIES WITH HEALTH CARE CENTERS*
1999-2000

Percent Executives/Administrators to Total Staff (Excluding Faculty)**

	Iowa	Arizona	Michigan	Minnesota	North Carolina	Ohio State	Virginia	Wisconsin	Average	Rank
FTE*** Exec/Admin	230	154	857	1,213	877	858	571	461	653	7/8
FTE Staff (excl. Fac)	7,572	8,831	13,301	14,150	8,491	17,081	9,429	12,299	11,394	8/8
Percent of FTE Staff	3.04%	1.74%	6.44%	8.57%	10.33%	5.02%	6.05%	3.75%	5.62%	7/8

Percent Executives/Administrators to Total Staff (Including Faculty)

	Iowa	Arizona	Michigan	Minnesota	North Carolina	Ohio State	Virginia	Wisconsin	Average	Rank
FTE Staff (incl. Fac)	9,625	11,041	16,807	16,853	11,181	20,740	11,421	15,578	14,156	8/8
Percent of FTE Staff	2.39%	1.39%	5.10%	7.20%	7.84%	4.13%	5.00%	2.96%	4.50%	7/8

	Iowa	Arizona	Michigan	Minnesota	North Carolina	Ohio State	Virginia	Wisconsin	Average	Rank
Student FTE	25,681	30,457	36,058	45,361	22,379	43,806	20,159	37,393	32,662	6/8
Faculty FTE	2,053	2,210	3,506	2,703	2,690	3,659	1,992	3,280	2,762	7/8
Student FTE/Faculty FTE	12.51	13.78	10.28	16.78	8.32	11.97	10.12	11.40	11.90	3/8

* Data Source: IPEDS Survey (Provost's Office, Institutional Data)

** Executive/Administrative partially defined as "...officers holding titles such as president, vice president, dean, director, or the equivalent, as well as officers subordinate to any of these administrators with such titles as associate dean, assistant dean, executive officer of academic departments if their principal activity is

***Staff FTEs were computed by adding the total number of full-time staff with half of the total number of part-time staff.

+Arizona Student FTE Data from 1998-1999.