

THE UNIVERSITY OF IOWA



18 May 2001

President Mary Sue Coleman
University of Iowa

Dear President Coleman:

Enclosed you will find the original and one copy of our final report of the Review of the Office of Vice President for Finance and University Services. As provided in the Operations Manual [II.28.4(g)(4)], a copy of this report is being forwarded to the President of the Faculty Senate and to the Chair of the Committee to Select Central Academic Officials. That section of the Operations Manual also asks that copies of the Office's Evaluation and Analysis Report (Self-study) and our Office Report (Review) be made available to all University faculty. I hope your office will undertake the necessary publicity and management of the distribution of these copies.

That self-same Operations Manual [II.28.4(g)(4)] provides for a follow-up of the review in approximately one year. At least three weeks prior to reconvening, through *fyi*, the Review Committee will solicit perceptions of the effectiveness with which the recommendations of the Office Report were implemented. //

Enclosed you will also find our final report of the Review of the Vice President Doug True. As provided in the Operations Manual, a copy of this report is being forwarded to the President of the Faculty Senate. As also provided in the Operations Manual [II.28.5(f)(2,3)], you are, in consultation with the Review Committee, to transmit the substance of this evaluation to VP True, who may, at your discretion and in consultation with the Review Committee, offer a written response to his evaluation. Also in consultation with the Review Committee you may transmit the substance of the report to constituencies other than faculty. The Faculty Senate President will, in executive session, present the substance of this report to the Faculty Council.

In addition, may I call your attention to Operations Manual [II.28.5(g)]: The final step in the officer review shall be an explicit written affirmation by the responsible higher level administrator that continued service by the administrator being reviewed would be in the best interests of the University. Should you decide to write such an affirmation, since there was a member of the Staff Council originally a member of the Review Committee, you might wish to consider reporting the affirmation to the Staff Council as well as to the Faculty Council. I would also appreciate receiving a copy.

Sincerely,

John R. Menninger, Chair
Committee to Review the Office of Vice President
for Finance and University Services

EXECUTIVE SUMMARY OF RECOMMENDATIONS

Planning

1. Make capital priorities and planned capital requests the subject of bi-annual meetings that include the Provost, Vice President for Finance and University Services, FSG Director, Campus Planning Committee, and leadership of the Faculty Senate, Staff Council, and student government, and, when appropriate, representatives from Iowa City and affected neighborhoods.
2. Reorganize budgetary decision-making for all facility improvements under Operations and Maintenance, with FREC serving as a priority-setting body to guide project selection and sequencing.
3. Consult the Campus Planning Committee at a sufficiently early stage for it to be able to influence project design; publicize final plans widely, soliciting comments.
4. Consult actively with users of a new building at all stages of the planning and design process.
5. Review the processes that allocate resources for training staff in and managing implementation of wide-ranging changes in FUS procedures — i.e., PeopleSoft.
6. Direct additional resources, budgets permitting, to the program planning campus landscaping.

Organization

1. Move administrative responsibility for Recreation Services from FUS to Student Services.
2. Include College and faculty representatives, and Operations and Maintenance officials in meetings of the FREC.

Staff Size

1. Review staff sizes, compensation and availability for cross-training in FUS units, e.g., Benefits, Payroll, Grants Accounting, Design and Construction Services, and other units within FSG.
2. Review ratio of worker and management personnel to optimize performance, e.g., FSG.

Delivery of Services

1. Review Labor Relations unit operations so as to implement union contracts optimally.
2. Consider collocating Immigration Services with the Office of International Students and Scholars.
3. Review career development opportunities for staff; make it easier to obtain release time.
4. Provide EZ versions of grant accounts that readily show how much money remains unspent.
5. Determine the bases of complaints about FSG performance, including reviewing numbers of personnel devoted to building maintenance and trades and use of outside sources to provide services.
6. Review FSG interactions with constituent units in preparing remodeling specifications and resources devoted to supervising contractors.
7. Provide clear and well-documented explanations of remodeling project charges
8. Consider itemization of billing by Mail Services.
9. Update the review of costs and benefits of administering Laundry Services centrally.

Measurement

1. Address the recent poll of FUS user satisfaction: institute regular polling of users.
2. Publicize the necessity of employee performance reviews and the benefits that such evaluation provides.

Communication

1. Publicize more effectively FUS goals and directions.
2. Widely publicize plans for new construction projects at a stage when comments can be used productively.
3. Consult university neighbors considering plans that will change substantially the neighborhood environment.

Review of the Office of Vice President for Finance and University Services

HISTORY

The Office of Finance and University Services (FUS) was last reviewed in 1985-86 when principal concerns included high turn-over in the position of Vice President for FUS — an office then filled from the faculty ranks — and under-staffing within FUS. We address the first issue elsewhere in our review of Vice President Douglas K. True. The second remained a question throughout this review process.

The Review Committee began its work in the fall of 1998 by posing questions to clarify the FUS self-study and by soliciting comments about FUS from all units, academic and nonacademic, throughout the campus. During the winter, spring and through the fall of 1999, the Committee interviewed over 100 people on campus — in and out of FUS — including the President, Provost, Vice Presidents, Deans, personnel within FUS, Regent's Office staff, and union and student representatives. Many communications were received by members of the Review Committee and many conversations were held with faculty and staff colleagues. Public hearings were held for faculty, staff and students in several locations. FUS being responsible for the University's financial and physical position within Iowa City, the Committee also interviewed City Manager Steve Atkins and Director of Planning and Community Development Karin Franklin.

The external reviewer originally appointed resigned before that phase of the review had begun. It was after composing a draft of this review and forwarding it to FUS to be checked for accuracy, pursuant to the Operations Manual, that a replacement was appointed. This external reviewer, after having read the draft, put several questions to FUS. The answers were made available to the visitor before he arrived but were not copied to the review committee. A summary of the oral report made to the review committee by the external reviewer at the conclusion of his visit is found in the Appendix to this review.

In collecting data and conducting interviews, the Committee focused on six issues: planning, organization, staff size, delivery of services, measurement of performance, and communication within and outside FUS. We use these six issues to organize this review, referring to separate divisions of FUS as relevant.

Throughout all divisions of FUS we found much praiseworthy imagination, initiative, and hard work. Overall, FUS serves the University and its mission well. If in this report we devote greater attention to possible change and improvement than to praise, it is for the sake of achieving reasonable brevity and greater precision in assessing a complex organization.

PLANNING

Staff personnel within the Human Resources (HR) unit conveyed a remarkably positive outlook in regard to the commitment of their colleagues. While each interviewee recognized some problem areas, there was a sense that most were recognized by the HR leadership and plans were underway for improvement. The optimistic outlook rested on two primary factors: the new Associate Vice President in charge of HR and the move to the new University Services building. The frequent meetings of HR staff from all University units to share information and discuss policies were portrayed as valuable for all concerned.

Change always being a challenge, the recent transition to the new Human Resources Information System (HRIS) and the Financial Information System, provided by PeopleSoft, emerged as a major topic of this review. The Committee heard from staff in the HR unit that the Human Resource Information Management team was especially instrumental in implementing the new PeopleSoft software and in training staff to use it, thus saving the University the substantial expense for consultants accrued by other academic consumers of PeopleSoft products. In addition, we were told by HR personnel that the Payroll staff deserves recognition for their hard work and patience in the face of many questions and concerns about the implementation of the new software. Generally, we were told by those responsible for administering the HRIS that the prospect for electronic processing of faculty and staff appointments and changes in appointments was regarded positively by HR personnel. But the implementation of the new system also provoked numerous concerns from various HR staff that they were not prepared to manage the transition smoothly. We heard numerous complaints from employees who were negatively impacted during the transition and who felt that their legitimate concerns were not addressed sufficiently quickly.

It is in the nature of Business Services that individual faculty rarely think of them, while administrators — Department Chairs, Deans, and Vice Presidents — are compelled to do so. It is also true that most attention is paid to these services when they are not operating smoothly. Consequently much of the information that came to the Committee was in the form of complaint rather than compliment. For example, there is widespread concern about the PeopleSoft information software: whether and how it will be integrated into each Department's record-keeping system. Business Services users voiced these same concerns repeatedly about Purchasing and Accounts Payable.

The aggregate of commentary about PeopleSoft suggests that staffing was inadequate to train fully all those employees in need of instruction. Inadequate training imposes costs on clients and is therefore a false economy. We recommend that the process that assigned this allocation of resources for staff training be reviewed. By the time the new software was implemented there was already a record of disasters at several other institutions. Despite this warning, the response to local difficulties, however well-meaning, was often perceived as inadequate. For the future, we recommend that sufficient resources be allocated to allow immediate reasonable responses to events that are not foreseen in detail but can be confidently expected from any wide-ranging change in procedures.

Planning for space and facilities is the responsibility of the Facilities Services Group (FSG). We applaud efforts of the campus planning staff to work with departmental and administrative units occupying space in various sectors of the campus in planning future projects and improvements. A much higher level of communication now exists than was the case a few years ago. Similarly, we are impressed with the well-orchestrated efforts to beautify the campus through progressive landscaping and related projects. These activities have made a noticeable difference in the visual quality of the University of Iowa campus. We recommend that when budgets permit, additional resources be directed to this well-thought-out program.

Despite these improvements, planning of major building projects is an area of concern. From a number of quarters, we gained the perception that FSG does not work closely enough with the faculty and staff who will occupy and use new or refurbished facilities. To be sure, it would be impossible to please everyone as to how a facility should look and function, but good

communication is likely to help produce a superior project and certainly puts a greater number of occupants at ease. A clear picture of the academic needs for new construction should be obtained before financial estimates are made and budget limits fixed. This may well require some work since faculty and staff are not trained as architects and FSG personnel are not trained as academics. We recommend that FSG redouble its efforts to consult actively with users at all stages of the planning and design process in order to approach more closely the ideal of cost-effective, appropriate, even pleasant facilities.

A related point is the need for earlier consultation with the Campus Planning Committee (CPC). This charter committee is the principal mechanism through which faculty and staff provide input to major projects that will significantly affect the campus for years to come. Our conversations with members of CPC led us to conclude that all too often siting plans and building designs approach their final form before CPC input is solicited. It is understandable that FSG would want to devote a fair amount of thought to a project prior to presenting it for comment. Yet, greater care should be given to involving the CPC at an early enough stage for it to be able to influence the direction of a project, as appropriate.

Another area where more extensive interaction between FSG and the CPC would be advisable is long-term planning of major capital projects. CPC members told the Review Committee that some projects are taken to the Board of Regents for approval without any discussion by the CPC. Part of the problem is insufficient discussion of long-term facility plans between the central administration, which directs FSG's efforts, and faculty and staff leaders. We recommend bi-annual meetings on capital priorities and planned capital requests. These meetings ought to include the Provost, Vice President for Finance and University Services, FSG Director, Campus Planning Committee, and leadership of the Faculty Senate, Staff Council, and student government. These meetings would help take the mystery out of long-term capital planning and budgeting. They also would provide the administration with broader input on a matter vitally important to students, faculty and staff. Finally, a published record of planning that is made available to faculty and staff, perhaps electronically, would provide a reasonably effective means to communicate long-term goals and aspirations of the University.

Funding decisions for the remodeling and re-equipping of extant University structures are made by the Facilities Renewal and Equipment Committee (FREC), composed of the Vice Presidents. Routine maintenance, in contrast, is the responsibility of the FSG Operations and Maintenance (O&M) group, which also carries out projects to ensure the functional viability of University facilities (e.g., roof repairs, window replacements). Planning by FREC and O&M seems not to be adequately coordinated. This is partly manifested in unreliable annual funding for maintenance. Such financial matters are ultimately decided by the FREC, but it is Operations and Maintenance or Utilities personnel who are perceived as inadequate when rain damages books or lack of electricity ruins experiments. There is, in addition, a general perception that new programs get more publicity, effort and funds than the less glamorous needs to keep roofs from leaking or power from failing.

To achieve improved integration of FREC and O&M, we recommend reorganizing budgetary decision-making of all facility improvements under Operations and Maintenance, with FREC serving as a priority-setting body to guide project selection and sequencing. Under such a plan the Design & Construction and O&M directors would sit with FREC to share their perspectives on pressing needs. In that way there would be a single group making key decisions on planning and financing improvements to and maintenance of University facilities. If budget

reversions occurred, the consequences of deferring maintenance to protect other budget areas would be readily appreciated.

In another area, one charge to the Office of Regulatory Compliance is worth special note. The increased role of federal regulation of hazardous materials raises substantive issues about ownership and control of laboratory materials by faculty and staff members. In particular, the question of how such materials can or should move between institutions as faculty relocate is an important area of concern requiring a more coherent plan.

ORGANIZATION

The Committee identified two areas where organizational change might facilitate the University's mission.

The most obvious to us is moving Recreation Services from FUS to Student Services. We repeat the question voiced in the 1985 Review of this Office: Does it make any sense to have Recreation Service report to the VP FUS (especially under "Regulatory Compliance")? In the 15 years since the last review some reorganization has occurred, in that previously Recreation Services and Athletics both reported to the VP FUS and now only one of the activities does. But this Committee still believes that design, planning, and advocacy for Recreational Services are better provided by other areas of the University.

The Facilities, Renewal, and Equipment Committee (FREC) is the second area deserving thought about reorganization. Currently attended by the VPs group and FUS staff, as called upon, FREC and its crucial decisions about built structures would be better and more widely understood if it included College and faculty representatives in its meetings, as well as the aforementioned Operations and Maintenance officials.

STAFF SIZE

It is often observed that the UI has a smaller office of FUS, relative to faculty size, than its peers in the CIC. However, as the 1985 external reviewer argued, this fact in itself is of no consequence. What does matter is distinguishing those instances when lean staffing of FUS saves money for use in academic quarters from those instances when under-staffing in FUS impedes important University research and education, or when it shifts administrative work from FUS to faculty or non-FUS staff. In these latter instances, a lean FUS staff is not a savings but a cost, because needed administrative tasks are done inefficiently by untrained personnel who also, as a consequence, perform less effectively the work for which they were hired.

There is a unanimous and over-riding concern among all HR units contacted that there is short-staffing and limited financial resources being provided to address their operation. This was confirmed by comments made by all consulted groups external to FUS. It was agreed that staff in Benefits and Payroll make a conscientious effort to do their work but are not given enough resources and are often under a lot of stress.

Grants Accounting is another area of staffing concern. Given that each Grants Accounting staff member develops expertise in specified funding agencies and specified university departments or programs, the loss of one employee cannot be compensated for by others, nor is anyone fully equipped to train a new employee who is then reliant for information on a predecessor who may no longer work in FUS, or even within the University. Although the Grants Accounting

Office has written very clear general training materials for faculty and staff and made them electronically available, the specific information/training lag has repercussions for College budget officers, departments, and individual faculty grant-holders. Grants Accounting staff and immediate supervisors are hard-working and conscientious, and thus very aware of the problem. A remaining issue for the 2001 review of Grants Accounting is whether staff or supervisors have sufficient time for the cross-training that they envision can serve clients in transitional phases when a seasoned employee is lost and a new employee hired.

The number of personnel in FSG may also be too small for the tasks it needs to perform. This judgment was reached after listening to numerous complaints about how long it takes to get responses from various FSG offices, how inadequate is the supervision of outside contractors who perform FSG services (construction, trades, etc.), how unkempt are the buildings, and how overloaded are the staff. Adding more personnel to Design and Construction Services, to improve supervision of outside contractors, may well require different FSG budgeting to assure the financing necessary to hire and retain the needed experts.

Finally, the ratio of management to workers may need adjustment. Increases in the numbers of support and trade workers should be considered. The Committee heard perceptions that during past financial emergencies the University reduced the numbers of trade or support workers while increasing management personnel. It is essential for optimal FSG operations to retain knowledgeable staff, including trade and support workers, so as to provide critical institutional memory. Increasing the compensation, especially benefits, for these staff might make the University more competitive in the market and thus more effective in retaining them [we have been made aware that salary and benefits for these employees are the subject of collective bargaining that is managed by State of Iowa, rather than University, representatives]. The external reviewer's opinion that staff numbers are appropriate does not directly address the perception by users of inadequate service nor suggestions that critical institutional memory is at risk. The Review Committee still feels that these issues should be addressed explicitly by FUS management.

DELIVERY OF SERVICES

FUS serves the University well in a number of ways from the investments and risk management of the Treasurer's Office to the improvement in addressing deferred maintenance to choosing the optimal financing of a building. But these accomplishments are noted by few because they are difficult to understand and not of immediate interest to most end users. Instead, what many individuals recall are processes that they can easily understand — surly responses from an overworked employee, or the lack of contact with a collective bargaining representative. In FUS, one area of great accomplishment in fiscal stewardship is dwarfed in popular perception by occasionally insensitive human relations. We recommend that the VPFUS consider publicizing more of their goals and directions, recognizing that the best form to communicate with staff may differ from that used to communicate with faculty.

FUS also serves its clients well to the extent that individuals in specific divisions understand the academic and research missions, the diversity, and the decentralized structure of the University. In all FUS activities it is, for example, crucial to have in mind two different kinds of scale — one monetary and the other demographic. An academic unit may have large numbers of faculty and staff with complex needs and many avenues to resources. Or a large and complex

unit may have few avenues to resources. A unit may be small in numbers of employees but have many opportunities to acquire external financial support. Also units differ in their reliance on public or private moneys; their accounting and communication needs differ accordingly.

Departments with large needs and small resources depend upon central services to a critical extent. HR customer service, particularly in responding to requests for information about payroll and benefits, for example, needs to be improved. As mentioned elsewhere, interviewees noted the lack of staff as a significant factor. Also noted were needs for cross-training and workload management. Interviews suggested that better standardization and training for HR procedures across Colleges and departments is needed as these responsibilities continue to be decentralized. There are departments and units that have their own unique interpretation of HR policies, not always to the benefit of staff and faculty.

Unionization and the critical need for specific service activities by the Labor Relations unit has greatly increased the workload and responsibilities for the people involved. In meetings with labor union representatives of SEIU, COGS and AFSCME, the Committee heard that requests for information, as agreed upon and specified in contracts, were not being met in a timely manner, or at all. Too many grievances by Graduate students are advanced to Labor Relations and not addressed at the departmental level. Similar comments were made by representatives of AFSCME and SEIU. In addition, P&S Staff perceive the Labor Relations unit as cumbersome and unresponsive to the needs of individuals involved in grievances. We recommend that a thorough review of the Labor Relations unit operations be conducted as soon as practicable.

During the early part of our review there were concerns expressed about the support provided by Immigration Services. We note that this office now has new direction and additional clerical staff, and improvements are expected. Consideration should be given to moving Immigration Services and/or the Office of International Students and Scholars to the same location. Currently there is confusion as to which office to approach for assistance. There also needs to be a more informed assistance for international staff and students who change from one visa status to another.

P&S staff both within FUS and the rest of the university portrayed career development as less than optimally effective. Programs should be continually re-assessed for their relevance to the needs and interests of faculty and staff. Relocating staff development opportunities to on-site training might enhance participation. The issue of release time for staff to attend these training opportunities also needs to be addressed; some staff pointed out that they are unable to get their supervisor's approval to attend courses during the workday.

These numerous concerns can be contrasted with the positive view of a close working relationship between HR personnel and the university charter Funded Retirements and Insurance Committee.

Like all FUS units, Accounting Services faces the complexities of the University's diversity and decentralization. However, they are further challenged by high employee turn-over, of which numerous clients throughout the University are conscious. Accounting Service acts *de facto* as a training ground for other units throughout the University and therefore must accept high turnover. Nonetheless, more outreach for Accounting staff, beyond Jessup Hall, is advisable to improve both service and the perception of service campus-wide. On those few occasions when Accounting staff have met faculty and department or College staff in their own work environments, the Accounting staff reports that the contacts were helpful.

Grants Accounting might better serve its clients by providing EZ versions, as well as the detailed forms, such that grant-holders could readily see how much more money they have to spend.

Within FSG, over the past few years, reorganization of building maintenance operations has resulted in a perception that workers are overloaded and buildings are insufficiently maintained (e.g., more than 20 minutes for evacuation notification in response to an emergency leak of gas). Work by outside contractors is sometimes perceived as "shoddy" and their supervision by FSG personnel as variable to a disturbing degree (viz., the summer, 1999 incident involving improperly connected sewage lines at the Mayflower Residence Hall). FSG supervisors are sometimes even perceived as siding with contractors against building users, viewing them as an impediment, and making decisions to save face for FSG rather than to achieve what is best for the University as a whole. Some building maintenance staff are reported as demoralized by the perception that their positions are in jeopardy, an opinion fostered by reports of public statements by FSG management that privatization of certain services is a desirable goal. Although the external reviewer believes the current numbers of maintenance personnel are appropriate, perceptions and complaints that we have heard are damaging staff morale and the opinion of FUS by users. We recommend continuing examination of the deployment of personnel in building maintenance. Costs and benefits of the use of outside vendors to provide such services should be estimated over the long term, taking due account of the advantages of institutional memory. The experience of other AAU Universities in these matters should be sought.

One practice that certainly can lead to less than satisfactory work is the Regents' policy of requiring the University to accept the lowest bid for work contracted outside. We heard expressions of acute frustration on the part of Design and Construction Services personnel who occasionally find themselves trying to get an indifferent contractor to perform adequately. While changing this policy is beyond the control of the University, FSG needs to redouble its efforts to work with constituent units to prepare specifications that strongly encourage quality work and to watch problem contractors closely.

Several DEOs mentioned a feeling that Design and Construction Services occasionally charges an exorbitant amount for its management and oversight services. We were made aware of several instances in which the actual amount billed for these services far exceeded the original cost estimate, even though no unusual problems were encountered. We recommend that D&CS be directed to routinely provide a clear and well-documented explanation (not merely non-explanatory hourly billing records) when its charges exceed those originally budgeted. We also recommend that in cases when the selected contractor's bid is lower than the initial cost estimate that Design and Construction Services not be allowed to raise its charges to bring the total project cost to or near the initial cost estimate.

Operations of the Business Services office drew comments on delivery of services from faculty and administrators. We routinely encountered questions about mail, printing, and laundry services. For example, staff and administrators commonly asked why Mail Services does not provide itemized billing to departments, especially since bar code technology is used. This seems to us a sensible question, and we were surprised to see that no goal assessment or measurement was included in Appendix H ("Finance and University Measures — Draft") of the FUS Self Study for Mail Services. We recommend that itemized billing by Mail Services be considered as soon as practicable.

The Printing Department has by law and by the University of Iowa Operations Manual a monopoly on printing at the University. It chooses which jobs to produce in-house and which to set out for public bidding. To make correct decisions it has to know those tasks for which the Printing Department has a comparative advantage. It is puzzling, therefore, that its performance measurements are not focused on comparative costs with the private sector. The Printing Department also operates the centralized copy centers on campus, an assignment that makes a good deal of sense because of the technological linkages between printing and copying. As these two technologies continue to evolve, Printing's specialized knowledge about Copying will become very valuable to individual Departments across campus. Many Departments face annual decisions to buy or lease copy machines, and some either do not have or cannot develop the expertise to make the best decision. A formal method of communicating Printing's expertise would be of value.

The Laundry Service is listed in the self-study as having a performance measure of "Level of success in meeting strategic plan targets (number of customers, pounds)." It seems to this Committee that a more basic question to ask is "Why does the University of Iowa have a laundry service?" This issue was raised in the last review of FUS but it is not addressed in the current self-study. Certainly some parts of the University need laundry, but if it is a local demand of, say, the Hospitals, it would arguably be more efficient to have the laundry be part of UIHC. Alternatively, if the need for the laundry is truly University-wide, the question should be what is the best way to provide that service? It is not obvious to this Committee that the University has any special strengths in laundry services. We recommend that the last review of the costs and benefits of administering the Laundry Services centrally be updated.

Parking and Transportation (P&T) received only laudatory notice from faculty and staff. Recent changes in parking regulations — especially the ability to call in a car parked in a lot without its proper sticker — were viewed as being an important example of customer service orientation. Among administrators, the view of Parking and Transportation was similar, with several Deans and Chairs expressing satisfaction with P&T's willingness to work out arrangements for faculty with diverse needs. There is one area that needs review. That is the use of revenues generated by parking for athletic events. We heard that all these revenues, at least for football games, are assigned to Athletics with no return to P&T for use of the facilities. This seems to represent an indirect, and unpublicized, subsidy of Athletics by those paying fees for parking.

MEASUREMENT

FUS has set specific goals related to the University strategic plan for each of its many operations. On the whole these look feasible and sound. Some targets, such as percentage of minority staff in Professional and Scientific (P&S) and Merit, are modest — perhaps too modest given that one target has already been exceeded — and might be more ambitious. Mere stewardship of indirect costs is another goal that is probably too modest.

A survey of user satisfaction with FSG services has been implemented but was not completed during the period of this review. Such a survey is bound to be helpful, and its results should be available early in the term of the new FSG Director. Generally, this Committee endorses the regular polling of FUS users on their satisfaction with service.

To prevent conflict and enhance job performance among staff, more attention should be paid to annual P&S performance appraisals. It should be emphasized that these appraisals are mandatory and are tied to evaluations of a supervisor's performance and salary adjustments. We recommend that HR make clear to employees the necessity of performance reviews and the benefits that such evaluation provides.

COMMUNICATION

Communication, planning, organization, staff size, delivery of services and measurement of performance are, at all levels, inextricable. Given that fact, we see the whole of our review reflected in this final category. We therefore offer a few closing observations.

Duplication of effort within FUS, disparity of accounting advice from FUS, cross-training of employees with key expertise are all issues of communication (and time and money) that affect service and affect FUS staff's job satisfaction. Without denying the present dedication and innovation of many staff up and down the ranks of FUS, the Review Committee questions whether FUS staff on the whole are offered or take sufficient opportunity to view the fruits of their labor, which is the foundation for faculty and student productivity. Are they ever provided the time and circumstances to look through the microscopes, view the paintings, or hear and see the multi-media classroom presentations that their accounting and wiring make possible?

In addition to questions about the familiarity of FUS staff with university classrooms and laboratories, we also have questions about access by its customers to information within FUS. For example, the whole of the University — students, faculty and staff — are frequently confused about how priorities are set among competing needs, such as constructing new buildings and maintaining extant structures and services. In the absence of information, these constituencies assume each FSG-related decision affects other activities in a simple *quid pro quo*. If there is a new building going up, for example, anxiety inevitably arises about what parts of University operations will be short-changed. Our earlier remarks (Planning) on communications among various constituencies about major capital building projects and among building users, Campus Planning Committee, architects and designers about new construction projects are relevant here. We recommend that University planning not only involve all the constituencies likely to be affected, but also that preliminary plans be widely publicized at a stage when comments can be used productively and included in the final versions.

Communication between the University and its neighbors in Iowa City is a complicated affair worthy of its own evaluation. This Review Committee did glean from an interview with city officials and proffered complaints from those living near the University, that FUS does not consult, even inform, university neighbors in various areas of town when it considers plans that will change substantially the physical environment of those areas. Perhaps it would be advisable at least to invite a designated representative of the City of Iowa City to attend, in a non-voting capacity, the bi-annual capital projects meetings we suggested earlier. In that way, city officials would have full knowledge of planned construction projects on the part of the University. Neighborhood meetings attended by FUS personnel and open to all relevant users of an area might be an even better means of communication, especially when major physical change is afoot.

Reviews of University operations are inevitably attempts to analyze a moving target. During this review process, new Associate Vice Presidents for Human Resources and Facilities Services have joined FUS and many other less public changes have occurred. The Committee offers this review in hopes that it will contribute to those changes and serve the University Community as a whole.

Respectfully submitted,

Committee to Review the Office of Vice President for Finance and University Services

Steve M. Collins	Department of Electrical and Computer Engineering
Barbara J. Eckstein	Department of English
David J. Forkenbrock	Department of Urban and Regional Planning
John R. Menninger	Department of Biological Sciences, Chair
George R. Neumann	Department of Economics
Eric M. Rivera	Department of Endodontics

05/18/01

APPENDIX — Summary of Oral Report by External Reviewer Gary Schultz

Before visiting campus, Mr Schultz was provided with a copy of the March 1998 FUS Self-Study and a draft of the Review Committee's Report. In addition, the external reviewer submitted to FUS a request for follow-up data in the form of questions. These were based upon and followed the organizational scheme of a draft of the Review Committee's final report. This draft had by then been circulated to FUS for accuracy checking and to University President Coleman. Mr. Schultz characterized the response by FUS to his request as both comprehensive and timely. The unusual availability of the draft report allowed him to focus his analysis in an efficient way. [The Review Committee did not receive a copy of the follow-up data but did learn of their general thrust from Schultz' oral report. The Review Committee's final report is changed but little from the earlier draft.] Mr. Schultz praised the FUS leadership with whom he met (17 February 2001) as well prepared, open, cooperative and helpful.

Mr. Schultz stated that in general he concurred with the recommendations in the draft (and the final) report. Given that accord, this summary of his oral report discusses mainly those issues where his opinion differs from the Review Committee's or where it provides additional weight and/or insight. Mr. Schultz approved of the Review Committee's emphasis on recommending changes in processes. He was entirely in sympathy with the general praise of FUS operations that was stated at the end of the History section of the report.

In discussing the draft recommendations with FUS personnel, Mr. Schultz learned that many of the issues raised had been addressed already in the normal course of FUS internal operations. He attributed this to the unusually long time span of this review. Among the new features of FUS operations that he felt were likely to impact issues raised in the draft review are the centralization of HR activities in the new University Services Building and the relatively recent reorganization of the Facilities Services Group. He was told that both events would improve efficiency and collaboration within FUS.

Mr. Schultz portrayed several aspects of the report (Planning recommendations 1-4, Communication recommendations 1 and 2) as illustrating a basic problem in communication. He recognized that communicating effectively is not a trivial issue and emphasized the necessity for FUS to do a better job. As an example, he noted that VP True is attending some meetings of the Campus Planning Committee. He suggested that, when sensitive issues are on its agenda, some mechanism for executive sessions or informal communication with the committee leadership might provide a way to get the appropriate feed back from faculty before public announcements were made. His impression was that FUS/FSG personnel were receptive to implementing more effective communication.

In respect of Planning recommendation 2 and other comments about giving Operations and Maintenance (O&M) greater deference, Mr. Schultz noted that O&M benchmarks of performance seemed approximately in line with those recommended by APPA (Association of Physical Plant Administrators). Among twelve benchmark universities selected by FUS, rated low = one and high = twelve, the University of Iowa ranked eighth in amount of expenditure for O&M per square foot. This value probably does not reflect any backlog of deferred maintenance but such backlogs are typical of universities, in his experience. There was some question whether the O&M numbers include major items like roof replacement or just custodial and other day-to-day services. He was told that there is a \$2.5 million item for major maintenance in the

university's operating budget; other maintenance projects are lumped into capital projects. Mr. Schultz commented that in the next 10 years many buildings built during the late 1960's and early 1970's would exceed thirty-five years of age when they would typically require substantial attention to continue being useful. Thus, deferring maintenance now would likely exacerbate problems in the not too distant future. If there are a large number of such buildings, planning should begin now for a substantial increase in maintenance costs.

Given the interval since the uncomfortable transition to the PeopleSoft system, Mr. Schultz reckoned, there seemed no point in dwelling at length on it now. Any mistakes in preparing for the transition that were made would be worth analyzing extensively only if there were near-term plans to adopt yet more PeopleSoft systems — for example, student financial aid, etc. He was informed there are no such current plans. He also pointed out that the transition to the new software was made more stressful by concurrent changes in business processes, changes that are still continuing but largely complete. Undertaking the business process changes during the PeopleSoft implementation may well be an advantage in the long run, in Schultz's opinion.

In discussing moving the administration of Recreational Services from FUS to Student Services Mr. Schultz learned that, despite his initial view that this was not unreasonable, FUS generally has no sympathy for the recommendation. FUS personnel told him that, given upcoming financial constraints on Student Services, the future of Recreational Services would be less secure were it moved.

In respect of the Committee's recommendations for Staff Size, Mr. Schultz found general agreement concerning the desirability for cross-training. After analyzing the present salary structure for FUS, he concluded that, on the average, compensation is in line with the local cost of living, although there may be pockets where increases would be appropriate. The numbers of support staff seem near to averages for comparable research universities with medical centers, but on the lean side. Mr. Schultz noted that he had not seen data that would be helpful in evaluating the issue of the balance between work and management personnel (Staff Size recommendation 2).

The area of Labor Relations (Delivery of Services recommendation 1) is recognized by FUS leaders as an area needing attention. Mr. Schultz noted the difficulties inherent in managing relations with certain labor unions. Previous difficulties with Immigration Services, acknowledged by HR leaders, seem to have eased with recent staff reorganizations and further revisions may not be necessary, Mr. Schultz was told. Data supplied in response to his request suggest that career development opportunities are increasing, especially for workers on the second and third shifts. HR leaders noted that such opportunities might have been a problem earlier, when interviews in connection with this review began, but their availability now represents a formal indicator of progress in the university's strategic plan.

Mr. Schultz was informed by FSG leadership that over time and mainly through attrition, the number of maintenance personnel had decreased to a level consistent with continuing needs but not sufficient to staff large renovation or construction projects. These are now being managed by outside contractors. Mr. Schultz agreed with this strategy and concluded that overall there are sufficient permanent craftsmen on the FSG staff and appropriate funds budgeted for routine maintenance.

During discussions with FSG personnel, Mr. Schultz was assured there were no policies that would cause errors in billing for Design and Construction services that were described to the Review Committee.

After reviewing a 1996 analysis done by FUS staff provided in advance of the visit and discussing the Laundry Services with FUS staff, Mr. Schultz concluded that the cost/benefit of the Laundry Service was favorable. However, given the Hospital's dominance of the Laundry workload, he advised that organizing the Laundry under the UIHC was reasonable to consider.

Mr. Schultz agreed with recommendations under the category of Measurement, as did FUS leaders. A user survey in 1998-99 was provided to Mr. Schultz prior to the visit and future user surveys are planned. More data were presented to him on the subject of managing employee performance reviews. There are policy statements available on the world wide web concerning the desirability of performance reviews as well as formats and guidelines for conducting these reviews but follow up is apparently still insufficiently effective. He was told that such reviews are now used as an indicator of performance in the FUS strategic plan.

As mentioned above, improving communications is a high priority throughout FUS. Publicizing its strategic plan should be an early step in a general program to enhance communication with users of their services.