

Program Prioritization Next Steps
January 21, 2014 DRAFT

I. Administrative & Service Units Summary

Using the results of the program prioritization process, Academic Affairs, Student Life, Finance and Operations, and the Chancellor's Unit have developed a set of recommendations for reducing costs and increasing revenues. In addition, they propose several programmatic adjustments that centralize or eliminate various functions within and between units, share services, increase the use of technology, improve processes, and strengthen external partnerships.

A. Specific suggestions in Finance and Operations include:

In reviewing the Administrative and Service Units Program Prioritization Committee's (APPC's) feedback, the VCFO unit is making adjustments in low scoring programs by centralizing or eliminating various functions within the unit. The emerging themes presented by APPC align well with area requests for voluntary reduction. VCFO anticipates few non-voluntary layoffs in meeting initial cost reduction targets. The proposed ideas outlined below are based on the APPC's themes of collaboration, external partnerships, centralization, and shared service.

- The following Human Resources & Equal Opportunity (HR&EO) functions could be centralized at the University of Minnesota Twin Cities (UMTC): Regents Scholarships, Vacation Donations, Employee Award Programs. (*centralization*)
- A shift of Regulatory Compliance issues—currently within Facilities Management (FM)—to University Services (Building Code Office, Environmental Health and Safety, and Capital Planning and Project Management) would help FM's workload. FM has had some success in this effort, but it requires ongoing work in relationship maintenance. FM will continue to pursue these options with the Building Code Office and Environmental Health and Safety. (*centralization*)
- Move Fleet Services to FM to better coordinate maintenance, cleaning and snow removal. (*reorganization*)
- Reduce FM Customer Service/Outreach by two employees. (*reorganization*)
- Move non-faculty retiree database responsibilities to the Chancellor's Office to align with their current responsibilities for the faculty database and the Chancellor-hosted events. (*reorganization*)
- Restructure cleaning services, eliminating two (Civil Service) supervisors and a number of Teamster positions. (*reorganization*)
- Investigate outsourcing in various areas, such as temporary staffing, student accounts, receivable/cashiering, etc. (*external partnerships*)
- Collapse Department Liaisons (to HR&EO) so there is one liaison representing three departments. (*shared service*)
- Move FM business functions to Business Services department. (*shared service*)
- Move FM HR functions to HR&EO department. (*shared service*)

- Cluster Vacation/Sick Leave reporting, moving it from the three smaller VCFO departments to HR&EO. (*shared service*)
- Move Clery work to VCFO Office to align with Emergency Management. (*shared service*)
- Cluster all Web duties for VCFO departments into a single office (departments provide content, while that office provides technical expertise) NOTE: Due to the frequency of posting by the Office of Sustainability, continuing to let that office handle its own postings would be more efficient. (*shared service*)
- Reorganize RRC function in Business Services to build capacity to serve the accounting needs of others, such as Athletics, Glensheen, etc. (*shared service*)

Although APPC feedback focused on eliminating redundancy within units, the committee also recommended exploring opportunities across units as well. The VCFO unit is requesting the formation of cross-unit work groups to help build capacity, reduce costs and/or improve efficiency.

Across Units Work Group Topics

- Parking enforcement and collections – Parking Services & Financial Collections
- Event Scheduling – FM, VCSL, Athletics, SFA, HPER
- Mail Services – FM & VCSL
- Materials Procurement – FM & other units/departments
- Human Resources work group – to explore ways to build capacity, reduce costs and/or improve efficiency
- Business Services work group – to explore ways to build capacity, reduce costs and/or improve efficiency
- IT work group – to find ways to minimize/eliminate duplicate entry/shadow systems (ex. invoicing)
- ESUP – to find ways of leveraging updates and new ESUP modules

B. Specific suggestions in Student Life include:

Utilizing the results of the Program Prioritization process, the Student Life team has developed a set of recommendations for reducing costs and raising revenues. In developing these strategies, Student Life considered the APPC “emerging themes from cost saving opportunities” (see page 10 of the Program Prioritization Summary, found on the Program Prioritization website). The Student Life strategies include efforts to share services, use technology, increase revenues, improve processes, and strengthen external partnerships. (The themes follow each strategy in italics)

- Currently, Parking Services functions are located with the Parking Services department and Housing and Residence Life. All Parking Services will be centralized in the Parking Services. (*centralization, improved processes*)

- An effort to examine all Divisional cash operations, with a goal of determining which functions might be shifted to the Student Life Cash Room. (*centralization, shared services*)
- An effort to examine all Divisional Human Resources functions, with a goal of determining which functions could utilize the Student Life Office of Budgets and Personnel for those functions. (*centralization, shared services*)
- An effort to examine the Events and Conferences functions within the Division will occur, with a goal to provide better services either through consolidation or coordination. An additional goal would be to increase revenue, especially in the summer. (*shared services, improved processes*)
- Change the funding model for the Duluth Transportation Authority. Students, faculty and staff would pay a fee to utilize the system. The student fee would be charged to all students each semester, and the staff and faculty fee would be optional for those who want to purchase a bus pass. (*increase revenues*)
- Create self-service options in Print Services. (*increase revenues*)
- Restructure position descriptions of staff in the Office of Cultural Diversity to increase capacity for serving students. (*improved processes*)
- Review and evaluate the senior renters program in Housing and Residence Life, with a goal of exploring new markets. (*improve processes, increase revenues*)
- Implement automation in the UCard Office. (*use technology*)
- Expand use of the UCard to off campus vendors. (*use technology, increase revenues, external partnerships*)
- Renovation of Express, Print Services and UCard offices to better utilize staffing and convenience to campus community. (*shared services, improved processes*)
- Market health services to area colleges where there is capacity. (*increase revenues, external partnerships*)
- Examine the central services in the VCFO unit that are utilized by self-supporting units, and create a funding model so that there is support for that activity. (*centralization, shared services*)
- Implement new RSOP programs to increase revenues. (*increase revenues*)
- Implement a fee for international students, following the practice on the Twin Cities, Morris and Crookston campuses. (*increase revenues*)
- Realize savings from personnel changes and voluntary layoff/non-renewal program. (*improve processes*)

In addition to the strategies developed as a result of reviewing the results from Program Prioritization, it is anticipated that the division may achieve additional savings after the implementation of the voluntary layoff/non-renewal program.

C. Specific suggestions in the Chancellor's Unit include:

The Chancellor's Unit incorporates the Office of the Chancellor, Alumni, Athletics, Development, External Affairs & KUMD, Advancement and University for Seniors. Over the past 8 months the Chancellor's Unit staff members have been working to create efficiencies and to cut costs. In reviewing the 2013 Academic Support and Services Program Prioritization Committee recommendations for the Chancellor's Unit, additional cost savings and revenue generation ideas are currently being developed for implementation in fiscal year 2015. The main focus will be on continuing to develop a shared services model for administrative functions, while at the same time integrating all functions of the Chancellor's Unit to continue to serve and to support the needs of the entire campus community, from students, staff and faculty to alumni, donors, supporters and elected officials.

Changes being implemented in FY 14:

- AFSCME position layoff in Advancement, with duties shifted to other staff.
- Eliminated the Vice Chancellor of Advancement position.
- Faculty and Staff Welcome Event changes.
- Chancellor's Office Staff reduced summer hours.
- Charged fee for retiree gatherings for faculty and staff.
- End of semester buffet changes.
- Reduced Student Rec Sport Team support.
- Eliminated the Professional Staff Day event.
- Eliminated the Commencement dinner.
- Eliminated the faculty shuttle buses for Commencement.
- Produced an electronic copy of Bridge II instead of a hard copy.
- Shifted donors expenses for Annual Report/Calendar from O&M to Foundation account.

Changes planned for FY 15:

- Elimination of Advancement administrative unit. Civil Service voluntary layoff of Administrative Director, with duties shifted to new staff position.
- A shared service model for various functions in Athletics will result in significant cost savings and efficiencies as part of a pilot program for UMD.
- New revenue generation goals in Athletics have been implemented to augment the newly written budget.
- Continue to review expenses and to shift donor costs currently funded by O&M to Foundation accounts.
- Develop metrics to analyze effectiveness of events across the Chancellor's Unit and to monitor for cost savings.
- Analyze communication programs across the Chancellor's Unit. Monitor for savings reductions and for staff efficiencies.

- Continue to explore a shared services model for the Chancellor's Unit for efficiencies in administrative functions.
- Combine the Graduate and Undergraduate Program Commencement ceremonies in 2014. Graduate students will receive their degrees with their collegiate units in combined ceremonies at the DECC.
- University for Seniors program transferred to the Chancellor's Unit.
- Stronger coordination of events across the Chancellor's Unit to eliminate redundancies and to create efficiencies.

D. Specific suggestions for Academic Affairs include:

Over the past two years, several units in Academic Affairs have undergone significant reorganization to better utilize resources. The Program Prioritization initiative has illuminated several additional areas that have a potential savings and/or better utilization of existing resources. The focus is on shared services and reduction of duplication of effort in nearly every support unit in the Executive Vice Chancellor for Academic Affairs (EVCAA) area including clusters of services moved out of individual units into EVCAA units that serve the campus. The changes will result in cost reductions, but the primary value will be in improved quality and efficiency. These include the following:

- Registration, admissions at the college level moved into the Registrar, Admissions and SIT offices
- Institutional Research for the campus centralized to report through IR in EVCAA that will also provide quality control of distributed data
- Library restructure based on their new Strategic Plan and utilization of shared resources with the UMN System when appropriate
- ITSS continuous improvement process to develop staff across IT areas for maximum efficiency; utilization of the UMN system OIT when appropriate
- Restructuring of International focused activities to eliminate overlap, provide risk management, and to present a cohesive International plan for UMD (driven by outcomes from the International Leadership Team report)
- Continued push of Continuing Education to a self-supporting unit with opportunity for revenue generation

II. Academic Program Prioritization Summary for the EVCAA Units

Overview

The EVCAA units represent both the academic areas and support areas as well as institutes. The majority of funding is through O&M (state and tuition revenue), but funds also include indirect cost return (ICR), grants, fees, etc. The following items represent the largest areas of potential decrease in expenses:

Instructional/Course Access

Approximately \$10 million of course access monies were used in FY14 to cover instruction costs for term faculty and graduate teaching assistants (GTA). Since that time, two merit increases have occurred and a change in fringe, making the current equivalent even higher. Course access money has ballooned over time to represent a significant portion of the funding for instruction when recurring faculty lines were not added to keep up with the teaching needs based on enrollment. Additionally, the recurring coverage for GTA lines was inadequate (made more so by using some of these lines to address a prior reallocation) so their salary and fringe (equivalent to over 100% of their salary) come from course access. These instructional needs are very real and additional capacity to support the STEM fields is desperately needed. However, in order to stabilize the instructional budget, the course access funds in the future need to be strictly limited to actual unexpected section increases due to enrollment, unexpected leaves, etc.

The strategy to addressing the large course access issue is two-fold: 1) reduce expenses, and 2) move funds to recurring faculty lines at every opportunity. We have been working on movement of recurring funding to faculty lines (both T/TT and term) through reallocation of funds from other areas to direct instruction (including a \$1 million move of funding from Continuing Education to direct instruction). The reduction of expenses focuses on the following:

- Reducing numbers of electives with particular focus on smaller enrollment classes
- Achieving a core set of classes that can be shared by multiple programs when possible
- Reducing blockages in overenrolled courses that force students to increase their time to degree completion
- Moving toward a model of offering tracts within majors rather than additional majors when appropriate
- Using positions gained through retirement or resignation to hire at the Assistant Professor level with a salary savings that can then be returned to the faculty position pool in the college (increased activity expected due to the Voluntary Departure Option for faculty)
- Returning all positions to the college faculty position pool for distribution of new hires in the areas of most need
- Moving toward a consistent and transparent workload for all colleges

The EVCAA has been working with Deans on these issues for the past 1-2 years and progress has been made in several areas. The workload item has been the most difficult to move forward and is the one that has the biggest potential to reduce the course access funding. EVCAA is working on a proposal to share with the Deans to address workload while staying within the UEA Contract. Part of this proposal includes a variation in workload for faculty depending on their distribution of activity in the areas of teaching, scholarship/research, and service.

The funding model from EVCAA and the colleges will also shift over the next year to include a proportion of funding allocated to colleges specifically based on their total number of student credit hours (SCH) taught. This funding model encourages an efficient approach that rewards units with strong productivity and that contribute significantly to the liberal education curriculum.

Revenue generation

The colleges generate revenue with the current summer funding model. One half of the profits (after all expenses) are divided between the college and the EVCAA office. It is anticipated that this revenue can grow significantly enabling further support of positions in the colleges and funding for initiatives from the EVCAA office.

Financial Aid

Over \$10 million of O&M funds are committed to scholarships for students. This funding is critical for recruitment and student support and additional funding is needed. The opportunity lies in having a strong campaign for donor support to endow more scholarships to enable some of the O&M funds to move to direct instruction (and reduction of course access).

Collegiate Unit Reorganization

The Prioritization Process showed overall good efficiency in delivering degree programs. Specifics within each college will be provided after further discussions with the Deans, but the following general areas will be explored (in addition to plans outlined for course access in the previous section):

- Degree program phase-out or move to a newly envisioned program
- Clustering of related majors into a common department
- Shared staff for smaller units and centers
- Review of centers to ensure efficient staffing and to evaluate return on investment (both monetary and strategic plan)