

# HUMBOLDT STATE UNIVERSITY

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Date: October 31, 2017  
TO: University Resources & Planning Committee (URPC)  
FROM: The President's Cabinet  
RE: Phase 2 Budget Reduction Options Memo

Attached is the preliminary list of budget reductions, efficiencies, and innovation opportunities under consideration, currently estimated at \$3.8 million, to reach our reduction target of \$2.8 million. This list is the culmination of over 150 ideas submitted by members of the University community in the past few years through online feedback forms, Open Forums, and meetings, combined with many discussions with stakeholder groups across the campus. We appreciate everyone's efforts and commitment to create a sustainable financial structure for HSU. It was not an easy task to develop this list and it will take significant additional effort to see this process through to its desired result –achieving a balanced budget. As we continue to explore the feasibility of each option by engaging in further dialogue with the campus community and through the collection of data to help inform the decisions, we fully anticipate the options to evolve and amounts to change. Difficult decisions will be need to be made in the coming months, and we seek the entire University community's participation in helping us make the best decisions about how we reduce our spending and successfully transform the University, while maintaining a student-centered focus.

The next steps in this process will include:

- The URPC taking the lead on vetting these options with the University community through Open Forums and other meetings to collect feedback to support the decision-making process. (Thank you, URPC members, for your willingness to lead this part of the process.)
- Cabinet appointing small work groups of subject matter experts to gather data and evaluate specific options.

As outlined in our August 2017 memo, we want to re-emphasize the principles that are guiding our planning efforts:

- Decisions will be made in the context of the Strategic Plan, the goals for student success articulated in Graduation Initiative 2025, and the principles for accreditation established by the WASC Senior College & University Commission (WSCUC);

- Campus engagement will occur throughout the process and stakeholders will have opportunities to provide feedback prior to decisions being made;
- Recommendations and decisions will be data-informed;
- A priority will be identifying and eliminating services and activities that are not in alignment with our core mission;
- Every effort will be made to avoid personnel layoffs, focusing on the thoughtful, evidence-driven elimination of positions as vacancies are created; and
- All areas will be subject to review and consideration.

Thank you again for your continuing commitment to helping the University achieve a balanced budget. Together, we are making real progress toward this goal, and URPC's leadership and engagement are vital to this effort.

cc: Julie Alderson, Chair of the University Senate  
Amber Blakeslee, University Budget Director

PHASE 2 OPTIONS UNDER CONSIDERATION

DRAFT - FOR PLANNING PURPOSES ONLY

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| DESCRIPTION  | Target           | 2018-19          | 2019-20       | TOTAL            |
|--|------------------|------------------|---------------|------------------|
| <b>1.0 Instruction/Academic Colleges</b>   | <b>1,000,000</b> | <b>1,041,000</b> | <b>55,000</b> | <b>1,096,000</b> |
| 1.1 Improve Student Success (reduce DFW rates)   |                  | 50,000           |               | 50,000           |
| <p><u>Description:</u> Reduce Drop, Fail, Withdrawal (DFW) rates to 20% or below and reduce number of times students need to repeat courses.</p> <p><u>Anticipated Impact:</u> Reduction in number of sections required to be offered to meet student demand</p> <p><u>Next Steps - Vetting Process:</u> Obtain data specified below</p> <p><u>Data Needed:</u> Obtain data on number of student seats occupied by students re-taking classes; calculate number of saved sections and associated cost savings if DFW rates are not higher than 20%. Examine individual courses with high DFW rates to identify possible causes (syllabus, learning outcomes, assessment approaches, instructor effect)</p>   |                  |                  |               |                  |
| 1.2 Elimination (due to attrition) / Realignment of technical support positions  |                  | 70,000           |               | 70,000           |
| <p><u>Description:</u> Eliminate 1-2 technical support positions when those positions are vacated.</p> <p><u>Anticipated Impact:</u> Potentially compromised classroom instruction, reduced student experience, lowered support for student and faculty research</p> <p><u>Next Steps - Vetting Process:</u> Discuss impacts on affected departments of not filling vacated positions</p> <p><u>Data Needed:</u> Inventory technical support positions and assess potential overlap in responsibility and sharing between programs. Calculate associated cost savings and any increased costs</p>  |                  |                  |               |                  |
| 1.3 Reduce lab hours from 6 to 3   |                  | 200,000          |               | 200,000          |
| <p><u>Description:</u> Reduce lab hours from 6 to 3 in individual courses.</p> <p><u>Anticipated Impact:</u> Fewer lab hours required for students, possible changes in student learning outcomes, possible reduction of consumables costs</p> <p><u>Next Steps - Vetting Process:</u> Inventory courses that schedule six hours of laboratory per week. Consult with Department Chairs</p> <p><u>Data Needed:</u> Inventory of courses that includes more than three hours of laboratory per week, assess the pedagogical literature, survey other CSUs for current practices, consult with employers regarding the benefit of the learning outcomes associated with extra labs, evaluate student achievement in courses with second labs, examine student comments in course evaluations</p>   |                  |                  |               |                  |
| 1.4 Reduce assigned time for faculty   |                  | 250,000          |               | 250,000          |
| <p><u>Description:</u> Reduce assigned time for faculty.</p> <p><u>Anticipated Impact:</u> Reduced assigned time for faculty; reduce faculty WTU costs for large classes by hiring students to assist with grading and other duties involved in large enrollments; increase salary opportunities for graduate students and/or student assistants; possible changes to advising loads</p> <p><u>Next Steps - Vetting Process:</u> Confer and consult with Department Chairs, Colleen Mullery, and with the Faculty Affairs Committee; Review with Department Chairs and faculty to establish a reasonable advising load across the colleges; Review with Department Chairs and faculty to establish guidelines for student workload that is appropriate to assist in the large classes and consistently apply across the colleges.</p> <p><u>Data Needed:</u> Current and past year assigned time usage and time plus cost of graders per student enrollment; number of tenured and tenure track faculty and majors per department to calculate the load per faculty and compare that number of advisees for equity across the colleges; number of WTUs assigned to faculty for excess enrollment, faculty costs for excess enrollment, the cost of instructional student assistants/graduate assistants, and the student workload hours per class depending on enrollments; review APDB (FAD) report</p> |                  |                  |               |                  |
| 1.5 Increase class size (when possible)  |                  | 30,000           |               | 30,000           |
| <p><u>Description:</u> Increase class size for selected classes (assuming reduction of assigned time for excess enrollment)</p> <p><u>Anticipated Impact:</u> Lower number of sections required</p> <p><u>Next Steps - Vetting Process:</u> Discuss with Department Chairs</p> <p><u>Data Needed:</u> Identify possible classes for an increase in size; determine availability of larger classrooms</p>   |                  |                  |               |                  |
| 1.6 Elimination of leased facilities and relocate activities on campus   |                  | 16,000           |               | 16,000           |
| <p><u>Description:</u> Elimination of leased facilities and relocate activities on campus</p>  |                  |                  |               |                  |

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| <u>Anticipated Impact:</u> Program dependent   |                |                |          |                |
| <u>Next Steps - Vetting Process:</u> Consult with affected stakeholders  |                |                |          |                |
| <u>Data Needed:</u> Ensure a complete inventory of leased off-campus spaces is available; Determine availability of campus space if activities are relocated to campus   |                |                |          |                |
| 1.7 Reduce Department Chair time bases for the academic year and summer  |                | 175,000        |          | 175,000        |
| <u>Description:</u> Return Department Chair time bases back to the 2011-2012 level and establish equitable times bases for summer support.   |                |                |          |                |
| <u>Anticipated Impact:</u> Department Chairs will be able to teach courses and have more interaction with students. Goal to increase student success with understanding of their needs. Align summer appointments with departmental and student needs.   |                |                |          |                |
| <u>Next Steps - Vetting Process:</u> Initiate discussions with Department Chairs on impact of reduced chair time base and increase in teaching loads. Initiate discussions with summer Department Chairs on work requirements for incoming students, summer students, and department workload.   |                |                |          |                |
| <u>Data Needed:</u> Analysis of 5-10 years of Department Chair time bases for academic year and summer, along with time bases of Program Leaders in order to ascertain the appropriate time base levels  |                |                |          |                |
| 1.8 Reduce WTUs by reducing the number of courses offered  |                | 250,000        |          | 250,000        |
| <u>Description:</u> Reduction of course offerings through course rotations, reduction in major degree requirements where possible, cancellation of low enrolled courses, reduce multiple course sections when enrollments don't warrant additional sections, identify courses that could fulfill General Education as well as major requirements, develop multi-year schedules to improve degree planning for students and advisors.   |                |                |          |                |
| <u>Anticipated Impact:</u> Reduction of lecturer appointments, may impact seats available for students in courses needed for degree, reduce small sections, reduce scheduling inefficiencies.  |                |                |          |                |
| <u>Next Steps - Vetting Process:</u> Request Department Chairs to review (a) degree requirements for potential WTU reductions, (b) course rotations, (c) low enrolled courses, (d) any other WTU reductions that are possible, (e) create multi-year schedules of course offerings, (f) increase flexibility in course substitutions for major requirements and (g) streamline General Education course offerings.   |                |                |          |                |
| <u>Data Needed:</u> History of low enrolled courses, major degree requirements, current course rotations, number of multiple sections without sufficient enrollment, impact of Area E.   |                |                |          |                |
| 1.9 Strategic reinvestment in HSU gallery programs   |                |                | 55,000   | 55,000         |
| <u>Description:</u> Develop a plan to close the Third Street Gallery. In the meantime, reduce the gallery budget by \$55,000 in 2019-20, and redeploy remaining OE and staff resources to the gallery programs on campus once the gallery is closed.   |                |                |          |                |
| <u>Anticipated Impact:</u> Loss of community outreach and venue for exhibition in Eureka. Ability to provide needed staff resources to HSU gallery management and to fund paid student internships in the on-campus galleries as part of the Gallery and Museum Practices certificate program. Creating vibrant gallery spaces on campus will draw people in, engage our students, and support student persistence and graduation.   |                |                |          |                |
| <u>Next Steps - Vetting Process:</u> We will form a committee of faculty and staff to create a plan for the reduction and strategic reinvestment of funds. While this idea has been vetted by our budget reduction committee and chairs, it has not been vetted by the stakeholders of the Third Street Gallery. Given this and the long-term lease, the transition will occur over the next two years.  |                |                |          |                |
| <u>Data Needed:</u> Information about details of the current lease and implications for early termination.   |                |                |          |                |
| <b>2.0 Information Technology</b>  | <b>400,000</b> | <b>147,549</b> | <b>-</b> | <b>147,549</b> |
| 2.1 Eliminate 1.0 of 4.0 FTE on the Enterprise Data Warehouse team (currently vacant)  |                | 128,000        |          | 128,000        |
| <u>Description:</u> Eliminate one vacant position; move existing employee into the lead role for the team; dollar figure represents salary plus benefits   |                |                |          |                |
| <u>Anticipated Impact:</u> The hard work of creating a sound, contemporary, standards-based structure underneath the Enterprise Data Warehouse is largely completed; the continuing work of enriching and refreshing the data available there, and expanding the reports available from this data, can continue, albeit at a reduced level, with one less FTE.   |                |                |          |                |
| <u>Next Steps - Vetting Process:</u> Different flavors of Business Intelligence (operational reporting, planning, predictive analytics) are being delivered from different sources within HSU, using different tools, with some level of redundancy. Are there efficiencies to be gained from having a more cohesive approach to Business Intelligence? Develop a work group to assess and audit HSU's 'business intelligence ecosystem' and establish a long-term vision for campus data and reporting. |                |                |          |                |
| <u>Data Needed:</u> Action already taken to eliminate vacant position; inventory of current campus (and CSU) planning and reporting tools, including costs, purpose, intended users, and campus needs  |                |                |          |                |
| 2.2 Creatively fill vacancy on the ITS Admin support team  |                | 19,549         |          | 19,549         |

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| <p><u>Description:</u> Expand the roles of two existing part-time staff (both at &gt;0.5 FTE and fully benefitted) to fill the vacancy left by a staff departure, thereby filling the position with zero benefit costs. Dollar figure represent benefits amount only.</p> <p><u>Anticipated Impact:</u> This is causing some juggling and adjusting, given that one role/desk/station is being shared by two part-time people, but we are comfortable we can make this work.</p> <p><u>Next Steps - Vetting Process:</u> Already done; ITS Administrative Support Team continuing to monitor workloads, operational needs and service levels.</p> <p><u>Data Needed:</u> N/A</p>  |                |               |                |                |
| <p>2.3 Evaluate campus software purchases to better understand total investment, purpose, and connections between them</p> <p><u>Description:</u> The campus spends a lot of resources (money, time, attention) on software. Some software systems are integrated with others and some are standalone, but there is not a comprehensive mapping of all software and how they collectively work together to help the University move forward. From a budget standpoint, some software is covered with base budget, some software is funded with one-time funding.</p> <p><u>Anticipated Impact:</u> Having a cohesive software strategy could save money and time, while also reducing duplication of effort.</p> <p><u>Next Steps - Vetting Process:</u> Establish a small work group, including ITS, Contracts, Budget, etc., to gather data and information on software and develop a draft statement on the purchase and support of software.</p> <p><u>Data Needed:</u> inventory of software, including costs and contract periods; which software is base budgeted and which is not; clarification about what software is currently supported</p> |                |               |                | -              |
| <b>3.0 Enrollment Management</b>  |                |               |                |                |
| 3.1 Developing a Strategic Enrollment Management (SEM) plan to guide long-term recruitment and retention efforts  |                |               |                | -              |
| <p><u>Description:</u></p> <p><u>Anticipated Impact:</u></p> <p><u>Next Steps - Vetting Process:</u></p> <p><u>Data Needed:</u></p>   |                |               |                |                |
| <b>4.0 Student Services</b>   | <b>250,000</b> | <b>57,000</b> | <b>426,000</b> | <b>483,000</b> |
| <p>4.1 Integrate Student Financial Services and Financial Aid to create a one-stop shop for student financial needs</p> <p><u>Description:</u> Merging Student Financial Services and Financial Aid into a one-stop shop could create synergies, achieve savings, and also improve the student experience.</p> <p><u>Anticipated Impact:</u> Improve support to students; improve customer service; reduce processing delays</p> <p><u>Next Steps - Vetting Process:</u> Establish a work group to explore this in more detail</p> <p><u>Data Needed:</u> This integration exists in many places - collect data (NACUBO/EAB reports), contact peers (CSUs already have this model)</p>  |                |               | 100,000        | 100,000        |
| 4.2 Restructure EOP operations  |                | 57,000        |                | 57,000         |
| <p><u>Description:</u> Restructure EOP operations to eliminate vacant position.</p> <p><u>Anticipated Impact:</u> Need to further understand possible grant implications, if any; possible impact to students depending on how service structures change; however, current level of support likely to be maintained given existing position vacancy.</p> <p><u>Next Steps - Vetting Process:</u> Evaluate grant details to determine if there are funding implications to reducing state-side EOP support.</p> <p><u>Data Needed:</u> Grant details and funding implications</p>  |                |               |                |                |
| 4.3 Explore partnerships and/or privatizing the Children's Center at current or other location  |                |               | 231,000        | 231,000        |
| <p><u>Description:</u> The Children's Center provides an important service to students and faculty and staff. However, having a Children's Center operated directly by the University is financially challenging to sustain. We are exploring if there alternative ways to provide this service.</p>  |                |               |                |                |

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| <p><u>Anticipated Impact:</u> The impacts are still being determined and will be clarified further as the research is conducted.</p> <p><u>Next Steps - Vetting Process:</u> Research regarding options and constraints; much vetting will need to occur with AS, SPF, Child Development Lab department, students, faculty, and staff.</p> <p><u>Data Needed:</u> number of students, faculty, and staff being served by current Children's Center; inventory of alternate options; grant considerations; funding and cost considerations</p>   |                |                |                |                |
| 4.4 Transition Director of federal grant program to grant funding   |                |                | 95,000         | 95,000         |
| <p><u>Description:</u> General Fund support is currently provided for a position that manages an existing federal grant program. At most other universities, this position is funded directly by the grant.</p> <p><u>Anticipated Impact:</u> Appropriate funding source for position; reduction in cost to General Fund; better accountability for federal grant funds.</p> <p><u>Next Steps - Vetting Process:</u> The next round of grant proposals needs to include funding for this position.</p> <p><u>Data Needed:</u> Dates for next submission for grant renewal.</p>  |                |                |                |                |
| 4.5 Gain staff and budget efficiencies by reducing duplication of student support services/programming across the campus (including but not limited to Academic and Student Affairs)  |                |                |                | -              |
| <p><u>Description:</u> There is duplication of effort in existing student programming efforts and opportunities exist to better coordinate this activity and reduce associated costs.</p> <p><u>Anticipated Impact:</u> Better coordinated programming and support for students</p> <p><u>Next Steps - Vetting Process:</u> Need to further define where duplication exists and how to move forward. Recommend establishing a working group to evaluate this option in detail.</p> <p><u>Data Needed:</u> Inventory of student programming activities and costs by area</p>   |                |                |                |                |
| <b>5.0 Self-support, Auxiliary Organizations, and Ancillary Operations</b>  | <b>750,000</b> | <b>200,000</b> | <b>680,000</b> | <b>880,000</b> |
| 5.1 Sell, restructure debt, and/or payoff debt on properties to eliminate existing lease payments   |                | 100,000        | 160,000        | 260,000        |
| <p><u>Description:</u> Exploring potential sale of property and/or the complete payoff of outstanding loans to eliminate existing lease payments. At a minimum, partial savings will be realized through restructuring existing debt.</p> <p><u>Anticipated Impact:</u> Potential change in terms of property retainment, but no direct impact to students or employees.</p> <p><u>Next Steps - Vetting Process:</u> Continue forward movement. Currently \$100k in savings solidified and working on additional efforts to achieve full target amount.</p> <p><u>Data Needed:</u> none</p>   |                |                |                |                |
| 5.2 Consolidate Auxiliary Organizations   |                |                | 400,000        | 400,000        |
| <p><u>Description:</u> HSU currently has four separate auxiliary organizations. A few years ago, a task force developed a set of recommendations that involved consolidating Sponsored Programs, Advancement Foundation, and University Center into a single auxiliary organization. Efficiency and cost savings could be achieved through reduced # of audits, consolidated organizational structures and boards, and administrative support and processes. Saving funds at the auxiliary level will allow the auxiliary to support the campus directly (SPF Research Funds) and indirectly (cost recovery for space, utilities, IT, UPD, Library, etc.). Allows 5.3 to occur more substantially without causing solvency questions. Note: Associated Students would remain separate.</p> <p><u>Anticipated Impact:</u> Significant time and effort to reconfigure organizational structures and implement changes; minimal anticipated impact to students.</p> <p><u>Next Steps - Vetting Process:</u> Will need extensive vetting with auxiliary organizations, legal counsel, etc.; re-establish working groups to evaluate cost savings and possible structures</p> <p><u>Data Needed:</u> TBD by work groups.</p> |                |                |                |                |
| 5.3 Increase self-support/auxiliary reimbursements to the Operating Fund (General Fund) to more fully cover the costs of services being provided by state operations.   |                | 100,000        | 100,000        | 200,000        |
| <p><u>Description:</u> CSU Executive Orders and policy state that the General Fund should be made whole for services provided to auxiliaries and self-supports and not all services being provided are currently incorporated into the existing model. A working group comprised of employees from each service provider and service recipient is currently developing cost drivers and methodologies for how to incorporate space, public safety, information technology, and library reimbursements into the existing model. Note: reimbursements can occur via cash or documented exchange of value.</p>   |                |                |                |                |

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| <p><u>Anticipated Impact:</u> Increases in reimbursements will result in less available resources for self-support entities and auxiliary organizations and more resources available to the Operating Fund (General Fund). Increases in reimbursements will need to be balanced with self-support/auxiliary financial viability and expected support/service to the campus.</p> <p><u>Next Steps - Vetting Process:</u> There is a cost allocation oversight group, including a subgroup meeting weekly to work through the details of building out data-driven cost drivers to calculate reimbursement levels, with a goal to have recommended options by the end of November. The CSU Budget Officers Association has been collecting cost allocation model information (methodologies, time to prepare, reimbursement levels) for all campuses and will be discussing cost allocation models at the meeting on Nov. 15th.</p> <p><u>Data Needed:</u> (much of the data has already been gathered) - FTE (employees and students), student headcount (state and self-support), square footage by area, three-year average department costs, CSU peer comparison data regarding methodologies and reimbursement levels (\$ and % of budget)</p>   |        |         |         |        |
| 5.4 International Programs revenue sharing   |        |         | 20,000  | 20,000 |
| <p><u>Description:</u> Explore international program self-support revenue sharing</p> <p>Anticipated Impact: Need to have sufficient funds to pay agent fees and staff cost</p> <p><u>Next Steps - Vetting Process:</u> we will use FY18-19 as benchmark year to determine the potential revenue sharing figure based on the new recruitment plan</p> <p><u>Data Needed:</u> Need to have at least three semesters (Spring 18, Fall 18 and Spring 19) data to determine the viability of rev. sharing method.</p>  |        |         |         |        |
| 5.5 Evaluate KHSU funding structures and possible reduction in federal CPB support   |        |         |         | -      |
| <p><u>Description:</u> KHSU currently receives core funding from Corporation for Public Broadcasting (CPB); however, it is on the cut list in President Trump's budget proposal. In light of this and the funding currently provided by General Fund to support KHSU, it is worth exploring KHSU's funding model and programming activities.</p> <p><u>Anticipated Impact:</u> Potential impact to KHSU's ability to offer programming; community impact if programming is changed</p> <p><u>Next Steps - Vetting Process:</u> Continue to monitor federal budget activities; develop funding and programming scenarios based on differential funding levels</p> <p><u>Data Needed:</u> Funding sources; itemized programming costs; CPB grant data; survey of funding structure for other campus-based public radio stations</p>  |        |         |         |        |
| 5.6 Explore funding streams for the Marine Lab and Marine Vessel   |        |         |         | -      |
| <p><u>Description:</u> The Marine Lab and Marine Vessel both provide enhanced instructional experiences for students and the Marine Lab has significant research activity. The Marine Vessel has reduced revenue from grants and contracts over the past several years, resulting in higher campus investment needed to support the activity. Both the Marine Lab and Marine Vessel have multiple funding sources (state support, student fee support, grants and contracts support) and it is important to better understand the student impact from these activities and re-evaluate the funding structures associated with both activities. In addition, there are also revenue generating opportunities for these activities that could be pursued.</p> <p><u>Anticipated Impact:</u> If either activity/facility were reduced or eliminated, there would be a direct impact to students. Increased use by external groups could also reduce availability for instructional use. There would also be an impact to faculty and staff involved in these activities.</p> <p><u>Next Steps - Vetting Process:</u> Establish small group to collect data; vet information with CNRS leadership and Department Chairs.</p> <p><u>Data Needed:</u> # of students utilizing the Marine Lab and Marine Vessel; costs to operate the Marine Lab and Marine Vessel; return on investment of each; long-term projected maintenance costs for the Marine Vessel</p> |        |         |         |        |
| 5.7 Intercollegiate Athletics  |        |         |         | -      |
| <p><u>Description:</u> Intercollegiate Athletics currently has an unsustainable funding structure that needs to be addressed as part of the overarching plan to balance HSU's budget. Addressing the budget shortfall in Athletics will not generate additional funds for the University, but it will limit the General Fund resources that have to be redirected to Athletics. HSU could also choose to make strategic investments with state funds in this area, too.</p> <p><u>Anticipated Impact:</u> Potentially significant impacts to students, faculty, staff, alumni, community, and community relations.</p> <p><u>Next Steps - Vetting Process:</u> Interim Athletics Director is actively leading effort to address funding challenges.</p> <p><u>Data Needed:</u> Ample data have already been gathered during this process</p>   |        |         |         |        |

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| <b>5.8 Chartered Centers and Institutes</b><br><u>Description:</u> Overseen by the Office of Research, Economic, and Community Development, HSU's has many Chartered Centers and Institutes; however, there is not clear understanding around actual costs to support these activities. While it is not clear if there are savings to be garnered from this evaluation, it would be helpful to better understand what levels of support are currently involved.<br><u>Anticipated Impact:</u> unknown<br><br><u>Next Steps - Vetting Process:</u> Appoint a small working group to assess the current cost and returns on investment.<br><br><u>Data Needed:</u> TBD   |                |                |                | -              |
| <b>6.0 University Operations</b>   | <b>400,000</b> | <b>320,000</b> | <b>400,000</b> | <b>720,000</b> |
| <b>6.1 Reduce overall travel costs and develop a more equitable travel structure across campus</b><br><u>Description:</u> Travel occurs for a variety of reasons including to attend system meetings, affinity group meetings, conferences, trainings, to deliver presentations, and for strategic initiatives. Travel investment is not consistent across the campus and there have been several ideas provided regarding expanding the use of zoom instead of traveling in person to meetings, how the information could be better shared by those who attend conferences or trainings, and how the campus could better leverage travel investments to further campus initiatives and enhance professional development opportunities.<br><u>Anticipated Impact:</u> Reducing travel investment could reduce learning and growth opportunities for some employees; thoughtful evaluation of travel could increase equity of travel investment and expand opportunities to more effectively leverage travel dollars; some employees are required to travel (for example, to the Chancellor's Office) as part of their job responsibilities.<br><u>Next Steps - Vetting Process:</u> Collect data on travel activities<br><br><u>Data Needed:</u> Travel details by area (number of trips, cost, purpose) |                | 100,000        |                | 100,000        |
| <b>6.2 Integrate aspects of State and Housing Facilities operations where operational efficiencies can be gained</b><br><u>Description:</u> State Facilities Management and Housing facilities operations have similar operational structures (grounds, custodial, building maintenance, systems) that are currently completely separate. The two areas are exploring if efficiencies can be gained by consolidating portions of the operations into a single entity to minimize duplication.<br><u>Anticipated Impact:</u> The two operations are similar, yet different. If there are changes in operational structures, service levels will need to be understood. For example, residence halls are students homes, operating 24x7, and require a different levels of service than an office space only open during the week.<br><u>Next Steps - Vetting Process:</u> A small group of people from Facilities and Housing are exploring this option further to determine where synergies can be gained.<br><u>Data Needed:</u> TBD  |                | 60,000         | 60,000         | 120,000        |
| <b>6.3 Merge and/or co-locate departments, units, or existing functions</b><br><u>Description:</u> Opportunities exist to merge and/or co-locate departments, units, or functions in ways that could streamline support/service delivery and eliminate redundancy.<br><u>Anticipated Impact:</u> Space is a barrier for many co-location options that will need to be evaluated. Ample savings potential and opportunities to improve service to students.<br><u>Next Steps - Vetting Process:</u> Develop inventory of departments and functions, seek feedback on possible options from campus community during vetting process<br><u>Data Needed:</u> number of departments, employees per department, inventory of departments with synergies that could be gained by co-location; number of students served   |                | -              | 200,000        | 200,000        |
| <b>6.4 Administrative services redesign - implement a shared services budget/financial support model</b><br><u>Description:</u> Establishing a shared services model for how we deliver select business functions (budget, travel, payroll, etc.) has the potential to generate long-term cost savings, while also improving risk mitigation, collaboration, efficiency, effectiveness, and overall service quality. Streamlining administrative functions can free up time to focus on core mission related activities.<br><u>Anticipated Impact:</u> This change will challenge us to think differently about how we do our work and provides a great opportunity for employees to work together to make improvements that will have beneficial impacts across the University. In addition to improvements listed in the description, this model creates a support and training network for employees, standardizes processes, which can result in significant time savings across the campus. Conversely, change can be difficult and this type of change is contingent on everyone working together to make this successful. Process improvement is a central component of implementing this type of change successfully.  |                | 120,000        | 80,000         | 200,000        |



PHASE 2 OPTIONS UNDER CONSIDERATION

DRAFT - FOR PLANNING PURPOSES ONLY

Last Update: October 31, 2017

Next Steps: Campus vetting in November and December, then a revised list of options will be prepared in January

| DESCRIPTION  | Target           | 2018-19          | 2019-20          | TOTAL            |
|--|------------------|------------------|------------------|------------------|
| <p><u>Next Steps - Vetting Process:</u> The model needs to be further defined to better understand impacts, barriers, and how such a change should be rolled out. A group will need to be established to develop the details.</p> <p><u>Data Needed:</u> Number of transactions being processed at different levels within the organization, inventory of systems being used to conduct this shared services type of work.</p>   |                  |                  |                  |                  |
| <p>6.5 Eliminate internal chargebacks and make cost of doing business activities a University Wide expense</p> <p><u>Description:</u> Internal chargeback activities include ITS (telephones and network), Facilities, and MarCom. Hundreds of transactions are processed every month, totaling over \$1 million per year, to bill ourselves for activities that occur within the same fund. These billings take time to prepare and process. The question often comes up regarding whether or not it is value added to do this. From a policy standpoint, the University is not required to be reimbursed for activities that occur within the same fund and therefore, these activities are purely optional. In addition, there are other cost of doing business activities, such as printing and shredding, where there could be efficiency gained by centralizing the management and processing of these activities (e.g. 1 purchase order instead of 50+ individual purchase orders that must be touched quarterly by each department and Contracts, Procurement, &amp; AP).</p> <p><u>Anticipated Impact:</u> Budget would need to be redistributed to support this change. The goal would be for it to be budget neutral to all areas. There is concern over increased use of services if areas no longer have to pay for them out of their own budgets. Cost of instruction could be impacted, so it would be important to understand the materiality of this change.</p> <p><u>Next Steps - Vetting Process:</u> Establish a work group to develop a proposal for what to eliminate/centralize, a budget redistribution plan, and an implementation strategy for how to move forward with proposed plan.</p> <p><u>Data Needed:</u> number of purchase orders, number of transactions, multi-year cost trends (budget and actuals), time and effort to support existing processes, potential models for recalibrating base funding to cover the support that is currently provided via chargebacks.</p> |                  | -                | -                | -                |
| <p>6.6 Explore position management strategies</p> <p><u>Description:</u> Explore position management strategies (e.g. hiring freeze, temporary hire, IRPs/reclassifications, part-time positions) to determine if savings can be achieved. Part-time considerations: Staff at .5 FTE and faculty at .4 FTE qualify for full medical and dental benefits, which are a significant cost to the university. Strategically managing part-time workforce and/or consolidating to fuller timebases, has the potential to generate significant savings.</p> <p><u>Anticipated Impact:</u> Impacts vary by strategies pursued (e.g. salary savings could be achieved by a hiring freeze, but less positions being filled would have productivity/service impacts). Potentially less part-time employees receiving benefits; existing employees may have additional opportunities to increase their timebase.</p> <p><u>Next Steps - Vetting Process:</u> APS &amp; HR and Budget Office conduct initial review of position management activities. The part-time option would need to be explored with departments/areas that have part-time employees to understand the context and staffing implications if changes were to occur.</p> <p><u>Data Needed:</u> Number, type, budget amount, and timebase of budgeted vacant positions, recruitments per year, number of part-time budgeted positions and existing employees with partial timebases, 10/12s, and 11/12s.</p>  |                  | 40,000           | 60,000           | 100,000          |
| <p>7.0 Other</p>   | -                | 500,000          | -                | 500,000          |
| <p>7.1 Change approach to budgeting future year January 1 benefit rate increases</p> <p><u>Description:</u> This savings is a result of timing. Instead of projecting January 1 benefit rate increases (e.g. health, dental) based on five-year average rate increases prior to rate increases being known, will leverage one-time funding to offset current year cost increases and postpone the base budget increase needed until after the increases have been verified. The University's ability to make this transition and cover the current year cost increase was made possible by the University's decision to sweep all current year benefit savings centrally.</p> <p><u>Anticipated Impact:</u> Will reduce the availability of one-time funding to cover other high priority investments.</p> <p><u>Next Steps - Vetting Process:</u> Savings amount is preliminary and will be solidified by the Budget Office in early December.</p>  |                  | 500,000          |                  | 500,000          |
| <b>SUBTOTAL PHASE 2 OPTIONS UNDER CONSIDERATION</b>  | <b>2,800,000</b> | <b>2,265,549</b> | <b>1,561,000</b> | <b>3,826,549</b> |

|                              |             |
|------------------------------|-------------|
| Remaining Amount to Identify | (1,026,549) |
| % of Target Identified       | 137%        |