

University Budget Council

Subcommittee #2: Ideas on Revenue Enhancement and Cost-Savings

Meetings on 10/28/2008 and 11/4/2008

Attending: Jim Carroll (chair), Doris Celian, Dave Clifford, Betty Beard, John Donegan

Subcommittee Goal: Put ideas on the table and then let the experts sort out the details.

We will focus on 5 categories:

1) Understanding EMU's Cost and Revenue Models

- a. Benchmarking EMU. Where does EMU stand today? What do we do well? How does EMU compare to its peers? We need to look into the fine details. Are we really just counting differently? Financial Services has done a lot of this comparison. We believe the UBC should see it asap.
- b. What are EMU's strategic (realistic) goals regarding enrollment? Are we seeking to grow in the next 5 years? Then we need to make that investment now. We must decide now to invest our money in faculty, administrators, staff, technology, dorms, classrooms, equipment, etc.
- c. What is our campus plan?
 - i. We do not have "normal building hours". Everything seems to be on 24/7.
 - ii. Right now one of the Towers is empty, but we are not renovating it.
 - iii. We are not fixing apartments. Are we heating empty space?
 - iv. We have no control over heat and energy in many of the dorms and buildings (look at all the open windows on campus).
 - v. A classroom usage study is complete and in the hands of the Deans. EMU has no centralized scheduling (but we own the software). There are huge scheduling gaps.
 - vi. We need to advertise more than faculty-to-student ratio. Let's tell perspective students the number of students per class. Let's advertise that x% of our classes have 20 students or less.
- d. What are EMU's Cost and Revenue models?
 - i. Use of GAs/adjuncts/lecturers/faculty for instruction
 - ii. Use/filling of positions: temps vs. interims vs. permanent
 - iii. Large classes vs. small classes.
 - iv. Release time for faculty doing non-teaching/non-grant work
 - v. Does cutting CS and PT positions really save money if expensive Faculty and Administrators replace them? How is quality affected?
 - vi. Invest in Technology before cutting positions.
 - vii. Balance between Quantity (easy to measure) and Quality (hard to measure). Quality brings more students to the University.
 - viii. Financial Aid Spending. What is our model for spending financial aid dollars and is it effective? Can we leverage "need" better?
 - ix. Marketing individual programs.
 - x. Out-of-State Tuition. Get rid of it? Recruiting outside MI.
 - xi. Require living in the Dorms for Freshman
 - xii. Building Usage: Classroom only buildings? Friday classes?
 - xiii. Spring/Summer: Treat as a normal semester with full offerings since the buildings are open, the staff is still here, and students are trying to spread out tuition costs over 12 months rather than 8 months. Money must be in department budgets at the start of the year. The "run it and we'll pay for it later" model is not working.

- xiv. Research grants: We need incentives to get more. How do we divide up indirect and direct costs? Is EMU using faculty release time as part of its grant matching? Are we buried in paperwork?
- xv. We must be willing to spend money to save money. We should establish guidelines for investments in cost savings ideas. Specifically, expectations on payback periods, amounts available to invest, minimum savings to qualify for university support, etc.

2) Defragmenting EMU

- a. As EMU has evolved, the “silos” have independently solved problems. This results in massive overlap. Can we consolidate the overlap to streamline our delivery to the students and not affect quality? This overlap is one of the reasons why we take forever to get “obvious” things done in a timely manner (expanding the Nursing program, closing essentially empty buildings)
- b. This has resulted in the “it’s not my job” attitude all over campus. No one “owns” our problems. We all should own our problems.
- c. Many of the solutions were short-term fixes, but not long-term answers. We need to look under the “band-aids”.
- d. We need cross-pollinated teams to identify and fix these problems.
- e. Examples:
 - i. The Physical Plant works on the physical condition of the campus and its systems BUT
 - 1. DPS is in charge of repairing parking lots
 - 2. Athletics has its own maintenance workers
 - 3. The Pool is maintained by RecIM
 - ii. How many departments do we need teaching introductory statistics, biology, physics, etc.
 - iii. Managing budgets in the colleges, and communicating with B&F. Every college/division seems to have an independent budget process and coordination. On the academic side, is giving faculty 3/4th release time to do budget management effective and cost efficient?
 - iv. Academic Human Resources and Human Resources for everybody else. Do we need both at potentially twice the cost?

3) Individual Ideas (working with Entrepreneurial Subcommittee)

- a. Landline phones in the dorms. Uof Kentucky saved \$800K removing landlines in the dorms. Students have cell phones. Student who need a landline pay for it to be activated (as they would living off campus).
- b. Cell phone usage by employees
- c. CRT vs Flat panel monitors
- d. Printers and Copiers, Copy centers
- e. Buy/Lease/Share in Offices/Departments/Colleges/Divisions

4) Incentives to Savings

- a. If you save money are you rewarded? Not currently.
- b. If an academic department increases SCH by 1%, it receives a 1% increase in the non-personnel budget.
- c. If an academic department increases SCH by 1% for three years, the department moves to the top of the new hiring list (faculty, PT, CS)

- d. What type of measures/incentives can we come up with for non-academic areas? Others for academic areas?
- e. There must be incentive money on the table as part of the normal budget process in all Divisions across the University.

5) Outside Ideas and Models

- a. Many universities are receiving outside grants to control energy costs. U of Louisville received DoE “Green City” grant for \$800K to work with City of Louisville installing energy saving lights, energy-efficient vending machines, motion detectors, etc. West Chester U. partnered with Honeywell to save energy by using Honeywell products (thermostats, solar shades, etc.). Grants are available to build solar-powered student laundry facilities. The recent announcement of work being done at EMU with Chevron is an example. We need to do more.
- b. Does EMU have an “Institutional Grants” office looking for these types of grants and pulling people together to pursue them?
- c. VoIP in faculty offices.
- d. Services from the US Post office for mailings. Are we being efficient?
- e. Fixed contract prices with utility companies.