

Institutional Efficiencies, Reallocations, and Cost Savings

Fiscal Year 2016-2017

The Utah System of Higher Educational institutions have always looked for ways to become more efficient through innovative practices in this ever-changing competitive higher education environment. Each institution was asked to provide a examples of efficiencies, internal reallocations, and realized cost savings for the most recent fiscal year 2016-2017.

- Institutional efficiencies include a paperless procurement system, energy and water conservancy projects, online education expansion, repurposing space, and staffing reductions, productivity, and incentive programs for a total estimated savings of \$7,430,095.
- Institutional reallocations include repurposing faculty and staff positions, space reassignment, software agreements, high demand program funding, online orientation program, student affairs and support services reorganization and consolidations for a total estimated savings of \$12,810,779.
- Institutional cost savings include facility management districting, tuition plateau policy changes, Campus Stores realignment, aviation purchase agreement, position soft-freezes, comprehensive employee benefit review, paperless facility request forms, aviation program discontinued, elimination of faculty positions, campus wide budget reductions, and lease restructuring for a total estimated savings of 12,478,788.

Institutional Efficiencies

University of Utah

Electronic Procure-to-pay Processes/Water Conservancy/Online Education: \$400,000

The University has implemented UShop which has decreased the labor intensive paper based process and increased the efficiencies at both the department and institution levels. Transparent workflow and online catalogs provide standardized contract pricing across campus allowing for streamlined transactions, better control of costs, improved internal controls, and more time available for other critical administrative tasks. 2) The campus previously maintained 290 acres of landscape which has been decreased to 230 acres of turf. Non-turf landscapes use 51% less water or 13,300 fewer gallons per acre per year. As new buildings are constructed 2/3 or more of the landscape is installed as non-turf. 3) Online education provides greater access to courses at non-traditional times and location. Online education reduces the cost associated with providing and maintaining on-campus space while also providing additional opportunities for students to take courses that fit their unique time constraints.

Utah State University

Energy Efficiency Projects: \$150,000 ongoing and \$1,500,000 one-time

Facilities routinely invest in energy efficiency projects that produce cost savings and a positive return on investment. One notable recent project that offset the need for a very large initial capital expenditure and that is also producing ongoing savings is a two million gallon central chilled water tank. USU installed the tank underground below a new turf playing field that was being added to increase the availability of outdoor field space during wet or snowy weather conditions. This storage tank allows chilled water to be produced during the night when chilling efficiency is at a maximum and when power rates are at a minimum. Then, the chilled water can be

used to cool during the day without the need to run a large central chiller. This project produces enough annual savings to pay back the initial cost of installing the tank in a reasonably short time frame but also eliminated the need to add an expensive additional chiller to meet peak demands.

Weber State University

Energy Efficiency: \$2,252,443

Due to WSU's comprehensive and ongoing energy efficiency program, the university saved \$2.3 million in energy dollars in FY17. These dollars have been reallocated toward additional energy efficiency projects. WSU's stated goal is to become a carbon-neutral institution by 2050.

Southern Utah University

Campus Lighting Conversion to LED Technology: \$16,652

Lighting conversion to higher efficiency LED lamps in several campus buildings. These projects replaced a variety of older technology lamps with LED fixtures and lamps, including replacing 1980's era walkway light fixtures with new LED technology. The cumulative cost savings benefit will be \$7,152 per year with a return on investment of 11 months. The wattage reduction from the original fixtures is 114 watts per fixture, resulting in a cumulative savings of over \$9,500 per year. The new fixtures have the added benefit of being full-cutoff fixtures, which helps to project the light downward and reduces errant light pollution. The return on investment will be just over 6 years with a product life of 15 years.

Snow College

LED Upgrades: \$50,000

We have started upgrading our lighting throughout both Ephraim and Richfield campuses with LED lighting. LED lights are a 16 month pay back. It is estimated that the savings on the upgrades during FY '17 should be near \$40,000 to \$50,000 a year reduction on power usage.

Dixie State University

Science Lab Coordinators: \$200,000

Dixie State University recently hired two .75 FTE staff coordinators to oversee chemistry and anatomy lab sections comprising an annual total of 120 workload credits (equivalent to five full-time faculty positions). These sections were previously covered by full-time and adjunct faculty at a significantly higher total cost. The lab coordinators have freed up faculty to teach more lecture sections, increasing DSU's overall instructional capacity in these highly demanded scientific disciplines.

Utah Valley University

Instructional Productivity: \$461,000

During the fall semester 2016, UVU increased its average enrollment per section from 24 students to 24.3 students. This efficiency was realized through a focused effort on course scheduling and enrollment monitoring. As result of this efficiency, UVU required 55 less sections for fall semester.

Salt Lake Community College

Right Sizing Budget and other Institutional Efficiencies: \$2,550,000

Due to projected budget short falls in tuition, a collaborative effort was made across the entire campus to improve efficiencies through right-sizing the budget. Since roughly 80% of our institutional expenses are dedicated to personnel costs, this area is where the largest reduction was made. A retirement incentive program was offered in order to better manage our workforce and future institutional needs. Approximately 110 employees took advantage of this option, and the College reduced the base salary dollars by 15%. This resulted in savings of over \$900,000. In addition to budget reductions, the College created the Dumke Center for STEM Learning by utilizing an open atrium in the existing science and industry building. Institutional resources, private donations, and grant dollars were leveraged to not only create the space, but to also staff the STEM learning center and operate satellite locations in other buildings on campus (\$1.65 million total).

Institutional Reallocations

University of Utah

Reallocated Faculty Funding / Space Utilization / Software Agreement: \$300,000

As faculty funding is available, during a search for a new faculty, funds are returned to the dean's office and there is an opportunity to use them for one time funding to meet critical strategic needs across the entire college. 2) Our IT department was located in four different buildings. The move to 102 Tower consolidated the infrastructure and disparate teams together allowing for increased collaboration and effectiveness for campus, hospitals and clinics. The move has resulted in improved services, reduced cost, improved standardization and streamlined operational processes. 3) In conjunction with USHE, the CIO for the University has entered into state-wide contracts benefiting all USHE schools. The consolidated agreements cover software and services from Microsoft, Adobe, Canvas, Duo, Box and VMware.

Utah State University

Academic Department Budgets: \$8,726,504

In FY17, the university permanently directed funds collected from online and IVC (broadcast) tuition to academic departments. This system-wide reallocation created strategic opportunities for departments by providing funding tied to growth, flexibility in addressing enrollment demands, and resources to address changing market forces related to student preferences. Now, regardless of course delivery method (i.e. face-to-face, online, broadcast) departments have an incentive to strengthen their programs while being more responsive to student and institutional needs.

Weber State University

Faculty Position Reallocations: \$472,491

During FY17, faculty salary dollars were reallocated from lower-demand programs or areas to areas of high growth. Programs that received additional resources include Microbiology, Supply Chain Management, and Nursing.

Southern Utah University

Online Orientation Program: \$50,000

During 2016-17 we adjusted our Orientation Program to save monies for the institution and for our students and families. For many years we followed traditional orientation models by requiring all new incoming students to come to campus to participate in a series of presentations, meetings, workshops, and campus tours. As a result of exit survey feedback, we decided to move to an online orientation process. We moved all the presentations, information, and handouts online and allow students and their parents to complete the orientation from the comfort of their own homes. We internally reallocated the University funding required for the orientation to hire additional ACES (student peer mentors) who will assist and support these new students in their transition to SUU.

Snow College

Reallocation of Position Funding from One Department to Another: \$233,284

The funding for a couple of positions was reallocated from one department to another to meet the demands of needed courses.

Dixie State University

Student Affairs Reorganization: \$425,000

During the past year, DSU's new Vice President for Student Affairs has overseen a comprehensive review of the divisional organization and operations. By reallocating existing resources with no additional institutional funding, Student Affairs successfully created and filled five key positions in the areas of student success, new student orientation, student health, and multicultural inclusion. The Student Affairs division is now better prepared to serve DSU's rapidly growing and increasingly diverse student population.

Utah Valley University

Consolidation of Support Services: \$40,000

With the purchase of a new warehouse facility, several support services (Mail Services, Printing Services, Surplus, and Sign Shop) will be physically adjacent allowing for a reduction in redundant process steps. For example, previously Printing Services would print mailers, package mailers, and deliver the packages to Mail Services. Mail Services would unpack the mailers, postmark the mailers, and repackage them. Now, Printing will print the mailers; roll them to Mail Services who will postmark and package for delivery. Printing will also take over the responsibilities of the sign shop within its current capacity allowing one position to be reallocated to another department.

Salt Lake Community College

Repurpose Faculty and Staff Positions: \$2,563,500

Approximately 32 positions were evaluated and repurposed to better serve the needs of the institution and our students. Many instances involved reallocating hourly dollars, essentially phasing out some part-time positions, in order to fund full-time positions that would provide our students with better access to resources and more consistent assistance throughout the year. A few circumstances called for certain positions to be eliminated in order to fund FTE in a higher demand program. Such was the case for a full-time apprentice plumber staff position which was funded by a phased out HVAC staff position (\$75,000). Other efforts to repurpose faculty and staff positions include, but are not limited to, the following: (* denotes dollars also included in Section 3 amounts).

Institutional Cost Savings

University of Utah

Facility Management Districting/Lighting Savings: \$460,000

Facility Management Districting has adjusted services to meet the unique needs of occupants in building that are similar and in close proximity. This allows for more rapid response to customer requests and facility needs are identified quickly for short and long term maintenance. The staff can identify and resolve issues quickly. 2) Huntsman Center Lighting Upgrade will save \$10,430 per year based on a Rocky Mountain Power evaluation. 3) Parking garages have exchanged high-energy use fixtures to LED fixtures with an estimated savings of \$350K and an anticipated return on investment in 3 years.

Utah State University

Tuition Plateau Policy Changes: \$8,100,000

The university made two policy changes to its tuition plateau in recent years which created significant savings in FY17. First, the university adjusted the credit hour range for its tuition plateau so that the lower end begins at 12 credit hours instead of the previous level of 13. Second, the university began using the regular tuition schedule for most of its online offerings (students living out-of-state still use a different schedule). Delivery method no longer matters when determining tuition rates and the plateau because students can include online courses in the plateau calculation. The university's analysis estimates that these adjustments saved students an estimated \$8.1 million in net tuition costs in FY17. The university has made incremental adjustments to offset the loss of tuition associated with these changes.

Weber State University

Campus Stores Realignment: \$151,200

Reduced workforce in the university campus stores by 3 FTE. These reductions are part of a realignment plan to help the campus stores remain financially viable in the dramatically changing college text book environment.

Southern Utah University

Aviation – Lease Purchase of Aircraft: \$290,000

Assuming the current level of aircraft to student ratio based on the level of light lab hours an evaluation of the lease versus purchase option revealed that the savings from the purchase option was approximately one-half the cost to lease. These cost savings have enabled the University to reduce the cost to students in a significant reduction for flight labs. The above estimated annual savings is expected to increase dramatically over the life span of each of the aircraft purchased.

Snow College

Soft Freeze on Positions: \$207,388

During FY '17 there was a soft freeze on many open positions. There were positions that became available during the year through retirement or other means that were held open to assess whether the positions were needed and if they could be filled with part time employees or if they could be cut. These positions included many staff and faculty positions.

Dixie State University

Comprehensive Benefits Review: \$150,000

In the fall of 2016, DSU's benefits committee (with extensive assistance from the Human Resources department) undertook a full review of benefits offerings in an effort to improve total compensation and ensure market competitiveness. Requests for proposals were issued for vision, dental, life, and disability insurance. The resulting bids yielded greatly improved coverage and service for dental, life, and disability insurance at a significantly lower annual cost to both employees and the institution.

Utah Valley University

Implementation and Expansion of DocuSign: \$120,000

Over 60 paper forms have been converted from paper forms to online forms using automated routing and electronic signatures. Previously, key requests form were purchased through Warehouse, delivered to the department, the department would complete the form, obtain signatures from various offices, drive the form to the Facilities Office for processing. Once the key was ready, the Facilities Office would phone or e-mail the requesting department and the requesting department would drive to the Facilities Office to pick up the key. Now, the form is completed and routed through DocuSign and departments are notified when keys are ready.

Salt Lake Community College

Institutional Cost Savings: \$3,000,200

Continually finding ways of keeping operating costs low while also maintaining exceptional standards of operating, and servicing our students is always a top priority at Salt Lake Community College. As part of the right-sizing budget process, there were institutional cost savings that were applied to the tuition budget shortfall. One specific area was Academic Affairs performed an academic program evaluation which resulted in program elimination. Additional instances are listed, but are not limited to, the following: (* denotes dollars also included in Section 1 amounts).

- Salary savings from retirements and hiring replacements for these positions at 85% of original base salary \$900,000.
- Eliminated 4 faculty positions that were vacant for at least 1 year \$345,400.
- Reduction in current expense and hold lines in Institutional Advancement, Institutional Effectiveness, President's Office, and Government & Community Relations \$112,310.
- Institutional budget reduction by Division \$1,500,000
- Discontinuation of aviation professional pilot program (three faculty, adjunct wages, current expense) \$444,200.
- Library Square site lease restructure savings \$156,000