

Meeting Summary
Academic Planning Group
February 2, 2009

Attendees:

Bill Powell, Jeff Evans, Bob Bateman, Kristi Motter, Ann Billings, Russ Willis, Melissa Cirino, Ernie King, Mandy Nace, Rusty Anderson, Joe Paul, Allyson Easterwood, Michelle Arrington, Joe Morgan, Lynn Smith, Sabine Heinhorst, David Walker, Elizabeth Haynes, Denise von Herrmann, Steve Oshrin, Brett Kemker, Tom Lansford, Bob Lyman.

Overview

Chief Financial Officer Joe Morgan and Provost Bob Lyman informed the committee of the fiscal situation confronting the University, especially for Fiscal Year 2010 to begin July 1, 2009.

In the current fiscal year, FY2009, the University must respond to a 5% reduction in state appropriations, plus an estimated additional reduction of 1% in Educational Enhancement Funds, which are funded through state sales taxes, for a total reduction approaching \$6 million. Information was provided to the committee on the measures being undertaken to address the budget shortfall for this fiscal year.

Next year's reductions are expected to double, with the University having to cut \$12 million (or more) from its E&G budget.

One important point brought out is that salaries and wages constitute 73% of the University's budget, with the remaining 27% in operating expenses. In addition, it was pointed out that approximately 80% of the budget is associated with academic affairs.

Other points included

- The University has certain fixed costs to be considered, such as insurance, maintenance, and energy costs;
- Expenditures over budget occur in some areas;
- The effects of tuition loss after Hurricane Katrina are still be felt;
- It is not known at this time what level of tuition increase might be approved. Planning needs to move forward without that information, which tends to be announced late in a fiscal year.
- For FY2009, measures in place (hiring and spending freezes, reallocations within units, etc.) should be sufficient to address the \$6 million cut without the need for layoffs, furloughs or other such measures.

Committee charge

The APG is to focus on FY2010. The charges to the committee are as follows:

- Examine fixed costs

- Provide recommendations on how to manage the positions currently subject to the staff hiring freeze and suspension of faculty searches
 - About 70 faculty positions are currently ongoing. Approximately 35 of these searches are proceeding, with the other 35 being held
- Focus on providing \$12 million in cuts for FY2010
- Prioritize up to \$15-18 million in anticipation of deeper cuts
- Provide recommendations to the Executive Cabinet

Discussion of Potential Areas of Focus

The APG reviewed a list of possible areas of focus for cost reductions/savings (See Appendix). The list was generated through a review of measures being undertaken at other institutions. The list is presented in an unranked order.

Communication to the University Community

Immediate steps will be taken to establish an informative website and a mechanism for soliciting ideas for faculty, staff and students.

Next Meeting

The next meeting of the APG will take place on February 10. Primary items for consideration will be (1.) time sensitive measures, such as a retirement incentive, the suspended academic searches, and the feasibility of voluntary furloughs and (2.) the prioritization of other measures for consideration.

APPENDIX

Potential Areas of Focus

Academics

- **Departmental mergers – Economies of scale**
 - Reduction of administrative stipends
 - Administrative assistant streamlining
 - Additional instructional capacity
 - IHL issues of reorganization?
- **Increased course loads by one course (or more) per year**
- **Furloughs**
 - Graduated at ASU (see http://asunews.asu.edu/20090128_furloughprogram)
 - Unpaid university shutdown
 - Voluntary? Mandatory?

- At Clemson:
 - <http://www.clemson.edu/hehd/news/hehdlines/08January/CUbudgetCuts.html>
 - Contract issues?
- **Reductions in time (voluntary)**
 - Staff option for fewer hours
 - Option for 9-month contract for staff
 - Option for part-time in summer
 - Staff & Academic Reduction in Time Program at UC-Berkeley
 - http://hrweb.berkeley.edu/policy/start2008/start2008_toc.htm
 - Contract issues?
- **Option of furlough or increased teaching load for faculty**
- **Phased retirement incentive**
- **Strict review of all vacant positions**
- **Increased access/class sizes/offering efficiencies**
 - Traditional – just bigger classes
 - Hybrids
 - Redesigns along lines of National Council for Academic Transformation (www.thencat.org)
 - Cost savings an integral part of NCAT format
- **Summer research and grant pay review**
- **Sabbaticals**
- **Salary increases for promotion (delaying or partial)**
- **Implementation of course management system (proposed in Strategic Enrollment Plan)**
 - Strategy 1.4: “To increase student success Southern Miss will implement a course management system to improve course offerings, classroom management, and faculty loads.”
 - Enrollment management of small sections
 - Emphasize/require early registration to better plan for summer & fall

- **'Casualization' of adjuncts (instead of set budget) (in combination with emphasized early registration)**
 - If class makes, then adjunct hired
- **'Casualization' of summer assignments (in combination with emphasized early registration)**
- **Delayed implementation of new programs/expansion of existing programs**
- **Reduction/elimination of centers-institutes**
- **Tuition cap removal**
- **Academic program elimination/reduction/consolidation**
- **Reduction of hours to degree to 120**

Extra-academic

- **Changing the F & A distribution formula**
- **Changing of MIDAS distribution**
- **Review of Academic Common Market**
- **Review of out of state tuition waivers (grad and undergrad)**
- **Consolidation/elimination of administrative positions**
- **Salary freeze for administrators**
- **Review of in state tuition waivers (grad)**
- **Review of graduate assistantships**
- **Review of scholarships**
- **Energy savings**
 - Concerted effort
 - OSU-Stillwater saved \$1.8 million (see http://osu.okstate.edu/index.php?option=com_content&task=view&id=1187&Itemid=1 & http://www.onsetcomp.com/application_stories/oklahoma-state-university-energy-conservation-make-wiser-use-money)
 - Best practices <http://www.pp.okstate.edu/eem/bestpractices.html>
- **Closing/consolidating non-academic units/programs**
 - Assessment of relationship to university mission (core/periphery)

- **Reduction of University professional memberships**
- **Reduction/elimination of six-hour academic course benefit to employees**
- **Sale of properties**
- **Rental of properties (e.g., rental of lab space to industry, of classroom space in summer)**
- **Review of fee distributions (e.g., athletics)**
- **Review of academic calendar for potential savings (e.g., shorter semester, four-day class week).**
- **Review of viability of instructional sites, especially on Coast**
- **Reduction of operating hours – e.g., libraries, Payne Center, computer labs**
- **Freeze on travel, meals, supplies (in place)**
- **Reduction in number of telephones**
- **Renegotiation of matching funds in grants (Boise State)**
- **Promotion of shared resources/greater efficiencies among units (e.g., photocopier)**
- **Avoidance new consulting contracts**
- **Outsourcing of support services**
- **Review of summer semester and minisessions**
- **Review of student activity budgets**
- **Reductions in number of performances in the arts**
- **Review need for vehicles**
- **Review utility of Hattiesburg-Coast shuttle**
- **Review mileage reimbursement policies**
- **Assistant provost for retention position**

From UMissouri System (see http://www.umsystem.edu/ums/about/reports/Effectiveness_and_Efficiency_Accountability_Report.pdf)

Common Terminology Used in Describing Effectiveness and Efficiency Initiatives

In preparing the narrative description of each initiative taken, efforts have been made to use common terms and phrases to the provided clarity and consistency in reporting across

business units. The following terms or phrases, while not all inclusive, provide guidance in reporting cost avoidance and cost management initiatives.

- Academic program elimination/consolidation
- Business process improvement/redesign
- Energy conservation
- Workforce reduction
- Strategic partnership with external entities
- Reduction of service
- Technology initiatives
- Competitive contracting
- Outsourcing