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# Budget Town Hall

## Budget Strategies

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OCTOBER 29, 2020

# Cost Savings Strategies

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## Strategies

- Freeze vacancies
- Reduce lump sum payments
- Optimize Investments
- Reduce central funding of expenses
- Address other operational costs
- Moratorium on non-essential travel
- Staffing adjustments
- Centralize operations
- Expansion of current costs savings strategies

# Freeze Vacancies

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**Objective** – Identify savings by not hiring current vacancies that are budgeted positions for fiscal year 2021. Any dollars saved in this approach will reduce the amount needed from other strategies that impact current staff and supplies.

## **Considerations**

- Workload and strain on current staff
- Requirements for compliance and safety
- Unequal number of vacancies across different departments

# Freeze Vacancies

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**Types** – Fiscal year 2021 budgeted vacancies, current recruitments or requests for recruitments and newly vacant positions

- Total Amount - \$4,000,000
- Targeted Savings - \$1,700,000 to \$2,000,000

## **Approach and Engagement**

- Review the current listing of vacancies
- Review if the position is related to compliance or safety
- Review other considerations
- Determine if the position can be saved in current and future years

# Lump Sum

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**Objective** – Identify savings by reducing the use of lump sums for additional payment by strategically looking at the purpose of the payments and determine what payments should be ended. While this strategy does impact individuals' pay, it will reduce the amount needed from staff adjustment strategies.

## **Considerations**

- Impact on total compensation for faculty and staff
- Purpose of the lump sum payments
- Historical patterns of lump sum payments

# Lump Sum

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**Types** – Non-student lump sums for overload, project/other duties, stipends and other

- Total Amount - \$3,200,000
- Targeted Savings - \$1,200,000 for FY2021 (\$2,000,000 for FY2022+)

## **Approach and Engagement**

- Review the prior year lump sums and current payments
- Discuss the purpose of the payments
- Identify types of payments to eliminate
- Determine final listing of lump sums to eliminate

# Optimize Investments

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**Objective** – Review the various investments made to improve enrollment through Strategic Enrollment Planning projects, scholarships, marketing and remissions. Reduce the investments that are not firmly equating to enrollment gains.

## **Considerations**

- Impact on current students (scholarships and remissions)
- Competitive offerings and rates (in state and out of state)
- Achieved return on investment and likelihood of projections

# Optimize Investments

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**Types** – Strategic Enrollment Planning initiatives, marketing, scholarship and remission levels

- Total Amount - \$1,700,000
- Targeted Savings - \$700,000 (beginning fiscal year 2022)

## **Approach and Engagement**

- Obtain updates of enrollment impact for each plan for Fall 2020
- Obtain updates on projected impacts for each plan for Fall 2021
- Calculate planned return on investment
- Identify investments to eliminate or shift investments



# Reduce Central Funding

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**Objective** – Review the central contribution to individual departments and divisions for professional development and student employment along with the spending in those departments and divisions. Determine a way to reduce or eliminate these central contributions.

## **Considerations**

- Impact on tenure track faculty and overall learning
- Impact on the high impact practice of student employment
- Available funding within individual departments and divisions

# Reduce Central Funding

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**Types** – Professional development and student employment funds

- Total Amount - \$900,000
- Targeted Savings - \$900,000

## **Approach and Engagement**

- Evaluate central funds and spending in professional development
- Evaluate central funds and spending in student employment
- Determine impact on tenure and certifications
- Evaluate ability to cover costs within individual departments

# Address Operating Costs

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**Objective** – Review other unbudgeted items for potential cost reduction through changes in expectations and adjustment of charges to properly cover costs.

## **Considerations**

- Impact of any fee changes on individuals and departments
- Acceptance of changes in service levels around facilities/projects
- Any impact on vacancies, current staffing for areas changed

# Address Operating Costs

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**Types** – Community Engagement Center (CEC), police dispatch, facilities maintenance and others

- Total Amount - \$2,000,000
- Targeted Savings - \$400,000 for FY2021 (\$600,000 for FY2022+)

## **Approach and Engagement**

- Review past facilities costs and drivers of those costs
- Review fees (rent for grants, parking, etc.) related to these costs
- Strategize related to the potential revenue generation of the CEC
- Determine ways to balance reduction in costs with any fee increases

# Impact of Strategies

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## **Fiscal Year 2021**

Total Savings Desired	\$ 7,000,000
Current Identified Savings	<u>\$ 4,200,000</u> *(permanent)
Remaining Savings to Determine	\$ 2,800,000

## **Fiscal Year 2022**

Total Savings Required	\$10,300,000
Current Identified Savings	<u>\$ 1,700,000</u> *(permanent)
Remaining Savings to Determine	\$ 8,600,000

# Moratorium on Non-Essential Travel

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**Objective** – Review all travel conducted by university faculty, staff and students to determine travel that can be avoided including remote attendance for fiscal years starting 2022.

## **Considerations**

- Impact on development opportunities for faculty, staff, and students
- Clear definition of “essential” for travel purposes

# Staffing Adjustments

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**Objective** – Review and adjustment of staffing levels across campus given reduction in enrollment. This strategy will work in concert with the vacancies and the centralized operations strategies to determine staffing levels and may involve movement of positions between areas depending on revenue generation.

## **Considerations**

- Impact on faculty and staff employment
- Impact on our ability to provide quality services and instruction
- Overall timelines for notification

# Centralized Operations

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**Objective** – Review current workload and ability to share services and staff across areas to find more efficient ways to provide those services. This strategy will work with the vacancies and staff adjustment strategies and will focus more on the overall organizational structure.

## **Considerations**

- Impact on faculty and staff employment
- Impact on our ability to provide quality services
- Clear reporting relationships



# Expansion of Current Cost Savings

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**Objective** – Continue review of other costs savings that started in fiscal year 2020 such as position control review, purchasing controls, and review of various supply and equipment spend. This strategy will assist the other strategies by placing proper controls in key areas. This strategy will also help establish new practices that can reduce non-personnel spend.

## **Considerations**

- Workload and delays caused by additional controls
- Ability to maintain services with adjustments to spend