

NCA Self Study
Criterion 5 Documents

Eastern Illinois University

Year 2014

Program Analysis Budget
Recommendations

Council on University Planning and Budgeting
Program Analysis Subcommittee, EIU

This paper is posted at The Keep.
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Library Services
Office of the Dean

600 Lincoln Avenue
Charleston, Illinois 61920-3099

Office: (217) 581-6061

April 23, 2014

President William Perry
Eastern Illinois University
Charleston, IL 61920

Dear President Perry:

On behalf of the Committee for University Planning and Budgeting, I submit to you the results of our five-month review of the Program Analysis documents developed from all corners of Eastern's campus.

Dividing into three subcommittees, all areas of the University were reviewed for potential savings or for income-generating opportunities. The recommendations from each group are included in this report. The CUPB accepted all three reports, and chose to endorse those from Student Affairs and from Business Affairs, the President's Office and University Advancement.

The CUPB found this to be a most difficult assignment. Finding common ground was not as easy as initially thought. Clearly, each subcommittee hoped that the bulk of savings could be found outside their purview. Our meetings were open and often attended by a wide range of campus members. The debates on several issues were testaments to deep feelings of support for Eastern's programs. As a result of this exercise, there is now a clearer understanding of and greater respect for the intricacies related to campus budget management, especially among our committee members but also throughout campus.

Although we did not arrive at the specific monetary target established, the recommendations should lead to the desired result over time. Further research is necessary for several of the recommendations, and the CUPB stands ready to pursue some of those issues in more depth if that would be helpful.

It is no surprise that support for Eastern and her programs remains intense. There are caring individuals all around, and enough senior faculty and staff to remind us of the hard-fought victories and achievements of those who came before us. It is also understood, however, the need to resize our budget to fit the realities of our enrollment and our support from the State of Illinois.

Sincerely,



Allen Lanham, Ph.D.
Dean of Library Services
Chair of CUPB 2013-2014

Enc: Recommendations from the CUPB Program Analysis Subcommittees for:
President's Office, Business Affairs, and University Advancement
Student Affairs
Academic Affairs

**CUPB Program Analysis Subcommittee on
President's Office, Business Affairs, and University Advancement
Recommendations**

Subcommittee Members: Kathlene Shank – Convener, David Emmerich – Minutes, Tim Zimmer, Cynthia Nichols, Melissa Gordon, Pamela Naragon, Pat Early

- Review the way technology services are provided on campus and consolidate under 1 department.
 - Potential savings a minimum of \$500,000

It is recommended that during FY15 a review of the way technology services are provided and funded on campus be performed with the intent to consolidate into one department. Depending upon how the final structure is implemented, EIU conservatively would save at least \$500,000. These savings would be realized in licensing savings, hardware and server/system savings, possible personnel duplications reduced, and efficiencies gained by having all technology personnel under 1 management and supervising structure.

Currently, most EIU think of technology as ITS and CATS. However, there are a lot more technology positions and expenditures than in just those areas. In FY 13, all VP areas combined spent approximately \$16million on technology expenditures, including personnel, licensing, software, and hardware. Of that \$16million, approximately \$3.4 million were from CATS appropriated and \$5.3 million were ITS appropriated dollars.

Additionally, there are approximately 126 full-time technology staff on campus. In addition to that, CATS and ITS have a combined 60+ student-worker positions. There are additional technology student worker positions at the university, but that number is unknown. All of these positions could be considered as “technically” larger groups that include pockets of system administrators, IT operations, help desk, desktop support, programming, web site development, project management, training, report writing, and more.

There are also 2 separate governance bodies, ITAC and ATAC; and multiple smaller subcommittees that are completely separate from these 2 bodies. These committees and subcommittees are in place to attempt to make sure all of the different area technology personnel might have input into decisions for campus. Because of this, there is a lot of time lost in meetings and waiting for meetings of meetings to make decisions, thus losing time and efficiency.

Source:

EIU Technology Dashboard www.eiu.edu/technologydashboard

ITS Program Analysis report

CATS Program Analysis report

- Review, centralize, and standardize computer purchase and surplus life-cycle and review computer maintenance fee structure.
 - Identified savings of \$25,000 minimum with more potentials savings possible with a detailed review

Currently, computer life-cycles at EIU are determined within each department. What has been found over the years is there is no real consistent determination of which areas have the funding needed to purchase up-to-date technology, what the life-cycle is of a computer within a

department, and how long before a computer is sent to university surplus. Some examples of differences:

Department A has a life-cycle standard that replaces faculty and/or staff machines on a 3 year cycle. The old machines are then trickled to student workers. The student worker old machines are then trickled to a departmental extra or surplus. The departmental extra or surplus are then trickled to EIU surplus.

Department B has an attempted life-cycle of 4 year...or 5 years. Well, it really just depends if end of year money comes through that allows them to replace the computer. The oldest computer(s) are then cycled to EIU surplus.

Department C has money set aside for computer purchases. They give the managers or supervisors of the different areas a maximum dollar amount for each computer they can purchase. The managers or supervisors of those areas then go and find a computer that is as close to that maximum dollar amount without going over...even if they don't need all the extra "stuff".

Some of these inconsistencies have been reduced with the recent utilization of bulk ordering and an update to IGP 103 in August 2013, which restricts computer models to a standard defined by procurement and ITS. A committee with campus technology representatives has been formed to maintain these standards. Anything requested not on the standard list is to be approved by ITS.

Some issues that could be addressed with this change:

Computer over-spend would be reduced if EIU staff that only used the Windows operating system did not purchase Apple hardware, which is known to be more costly. Rough estimates are that an average overspend of \$500 per machine happen in these instances. Looking at recent computer purchases since approximately FY10, if the estimates are true, EIU has spent an extra \$25,000 per year because of this practice. These estimates would have to be reviewed for better accuracy of expectations. We understand there are areas where Apple hardware is required for student classroom and education needs, and that would need to be considered in setting these standards.

Another concern is the maintenance fee attached to computer purchases. There is a \$105 yearly maintenance fee charged on computers purchased with non-appropriated funds. The charge depends on which ORG it was purchased out of. If departments are holding onto old machines as extra's "just in case" and they are never used, they are still charged the fee. If computers that weren't in use were sent to surplus or a "shared inventory" then other areas that might need the computer would have more of a pool to choose from and EIU would realize longer use out of computers that are "old" but not "too old" to continue using. This could result in saving costs to departments on the maintenance fees for unused computers and costs to the university on "extra" computer purchases that may not have been necessary.

Source:

Review of FY 10 -14 computer purchases

IGP 103

- Review the discounting of tuition and perform modeling to find the most effective way of competitively recruiting students and strategically using financial resources.
 - Possible savings would be found after modeling is done

It is recommended that modeling is done to look at the effectiveness and ROI of Panther Promise, Commitment to Excellence, and other non-endowed scholarships to determine their impact on gross enrollment numbers.

In FY 12 we discounted at a rate of \$10.5 million. The forecast for FY 15 is \$19.5 million (waivers, scholarships, and awards). These numbers will continue increasing as the programs fully mature and more awards are given.

Source:

Program Analysis reports

Interviews

Budget sheets provided by VPBA

Information provided by financial aid

- Modeling should be completed to examine the value of lowering tuition and fees for all EIU students versus discounting for select students.
 - Possible savings would only known after modeling is completed

We recommend considering using the savings in reducing select scholarships to reduce tuition for all students to make us more competitive producing a potential overall increase in enrollment.

Source:

Program Analysis reports

Interviews

Budget sheets provided by VPBA

Information provided by financial aid

- Review and demonstrate that the amount of discounting is within budgetary constraints
 - Possible savings would only be known after review and demonstration.

EIU provides a significant number of discounts in the environment of declining financial resources. Financial consideration needs to be given to the strategies being used to rebuild enrollment.

Source:

Program Analysis reports

Interviews

Budget sheets provided by VPBA

Information provided by financial aid

- Review of ledger 2 and 3 funding to ensure departments are living within the constraints of the funding sources and for sources of cost savings.

As Budget is constituted by Ledger 1, 2, and 3 accounts savings/cuts need to be made across the 3 ledgers not just in Ledger 1 (appropriated/tuition). While Ledger 2 & 3 may not actually be cut these need to be used fully so as to not use appropriated/tuition monies to cover expenses for which the ledgers should be fully responsible. Ledger 2 & 3 need to live fully within their means and Ledger 3 needs to be used within “audit guidelines” as fully as possible and in ways legally appropriate to help offset budget shortfalls.

As Program Analysis focused on entities that submitted program analysis and the University has facts that were not studied Vice-Presidents should be charged to carefully review all activities within their purview to assure all entities are operating efficiently and within budgetary constraints with this close review to result in savings across areas.

Source:

Program Analysis

Interviews

Budget sheets provided by VPBA

- Allocate resources to unfunded mandates considering the constraints of University resources and in the context of the University mission.

All unfunded state/national mandates need to be examined and whenever possible the least expensive yet legally defensible means of addressing the mandates need to be implemented. (e.g. Staffing ½ vs full-time, absorption of tasks by already existing entities).

Source:

Interviews and discussions

- Evaluate Carmen Hall, and any other future buildings that go off-line (not being utilized) for alternative uses.

There are costs for utilities and minimum maintenance even when a building is not in use.

Source:

Interviews and discussions

- Analyze outsourcing or consolidation of services provided across campus (including trades).

A review of any potential savings that could be realized by outsourcing one or more services with understanding that prevailing wage and existing contracts will be observed.

Source:

Program Analysis Reports

Interviews and discussions

- Examine formulas used to determine rates charged for renovations and alterations.

Formulas currently being used have not been reviewed in several years. A review of calculations would allow for a fair distribution of costs across ledgers 1, 2, and 3.

Source:

Program Analysis Reports

Interviews and discussions

- Examine fee structure formulas used to charge campus units for services, utilities, and fixed costs to ensure all entities are paying their fair share.

Fee formula structure has not been examined in recent years and may be outdated given current practices, efficiencies, and costs. As a result, ledger 1 funds may be paying a disproportionate share of the costs.

Source:

Program analysis documents

Interviews

Budget documents provided by VPBA

- Institute a hiring freeze of a minimum of 1 year and examine hiring employee profile in the context of University mission and critical need.

With declining resources, the hiring of all employees, including administrators, faculty, staff, temporary, and temporary-extra need to be carefully considered with exceptions made only in the most mission critical areas.

For example, currently there are approximately the equivalent of more than 50 faculty FTE associated with non-instructional service credit. There are similar examples across the university. With the upcoming changes in the retirement system, a bubble of additional retirees is expected. We need to ensure that we are careful by only replacing mission critical employees across the university. This consideration needs to be continued should the University implement retirement incentives in the future

Source:

Interviews and discussions

- Continue to aggressively pursue assuring the Renewable Energy Center and the University's energy conservation measures realize target goals.

In FY 13, \$12.6 million was dedicated to utilities across all campus ledgers. The Renewable Energy Center was built with projected savings. These savings are essential given our current financial constraints. The measurement and valuation of the Energy Conservation Measures are continuing and need to be pursued aggressively.

Source:

Program Analysis Reports

Interviews and discussions

Honeywell reports

- Improve existing processes for more efficient use of surplus furniture and equipment. While there are processes in place for utilization of surplus items, these are not pursued consistently across university entities. Given declining resources, purchase of new furniture and other equipment should be scrutinized based on the usability of surplus items.

Source:

Interviews

Budget data provided by VPBA

- Travel across all University entities regardless of funding source should be scrutinized to ensure good stewardship of resources.

FY 15 budget projections reflect a planned 30% reduction in travel for ledger 1. All funding areas should implement similar targeted reductions.

Source:
FY budget forecasting spreadsheet

- Exercise caution in dedication of resources in the implementation of strategic plan goals.

The Presidents' Program Analysis reflects \$1,555,000 for various initiatives to address Presidential goals, many of which are in the University Strategic Plan. Many of these goals involve study of various ideas, outside consultants or speakers. There could be potential savings of \$500,000 to \$1 million by delaying or revising implementation of these action plans.

Source:
President Office Program Analysis
Strategic Plan

- Continue judicious use of equipment reserves funded by appropriated and non-appropriated ledgers.

The FY 15 budget request reflects zero dedication of new appropriated dollars to equipment purchases, basically saying we are not adding any new funding to equipment reserves. Purchase of equipment essential to programmatic needs and to ensure efficiencies must come from existing equipment reserves.

Source:
FY 15 budget request
Equipment Reserve Status Spreadsheet as of 11/30/13

- Careful consideration should be taken in the use of non-indentured reserves and unrestricted cash assets to off-set structural deficits.

An example is using the release of the non-indentured reserve of the Science Building.

Source:
Non-indentured reserve in BOT Minutes

- Recommend review all university maintenance agreements by procurement and corresponding departments to verify they are all still needed.

Many departments have yearly agreements they pay vendors for their services. Occasionally, a maintenance agreement has come through that a department did not know why they still paid it, however they had kept paying it because "they always had it".

Although there is likely to be very little savings that could be found it, there should be a review of all maintenance agreements paid by departments to ensure that they are actually still needed. If the agreement is not needed, it should be discontinued.

Source:
Program Analysis
Interviews

- Recommend a review of all PCard transactions for “like” purchases to find where bulk savings could be realized.

There were over 89,000 purchases for EIU done via the PCard in the last fiscal year. It is possible that some savings could be found for the university if:

- a) Purchases were reviewed university-wide to see common product purchases to look for savings
- b) Some departments are paying more for a product than other departments resulting in overspend because the purchases are only made at the departmental level

Savings here would likely be minimal, but with 89,000 purchases there is likely to be some relevant data to help reduce expenses.

Source:

*Program Analysis Reports
Interviews and discussions*

- Explore the efficiency of the 4.5 day work week during the summer sessions.

When the 4.5 day week was instituted, utility costs were significantly higher. Current reported savings are based on an old model.

Source:

Interviews and discussions

- Explore the possible efficiencies of a 4 day work week during summer sessions or possible increased usage of facilities with a 5 day work week.

A 4 day work week could result in improved efficiencies and savings and more creative use to attract students. A 5 day work week would provide opportunities for more use of facilities.

Source:

Interviews and discussions

Resource Reductions Explored But Found To Not Result In Significant Cost Savings:

- Utilizing VOIP and removing all University land lines (excluding Housing as we do not pay for these).
- Lowering temperatures 1-2 degrees in winter and raising temperatures 1-2 in summer.
- Increasing PCard limits.
- Reduction or elimination of University “fleet.”

Opportunities for Program Enhancement CUPB Presidents Office, Business Affairs, University Advancement Subcommittee

Our original intent was to provide an estimate of implementation costs and impact on productivity or effectiveness. However, we do not feel we had enough knowledge to make an educated guess that we would feel confident in providing. So, we expect that if these opportunities are utilized, a cost estimate and impact analysis would be done to measure effectiveness of any of these changes.

- All CUPB members should be provided training/briefing sessions on university budgeting, accounting, and planning processes at the beginning of his or her appointment to CUPB. The CUPB is charged with considering university “planning and budgeting” matters. To ensure that its members can effectively carry out this charge, as members are appointed to committee service, each should receive a training/briefing sessions about Eastern’s budgeting, accounting, and planning processes. Such ongoing training would enhance the ability of the entire council to function more effectively and productively.
- Develop a menu of metrics that for academic and nonacademic departments can use to measure effectiveness and efficiencies
In FY15 academic and nonacademic departments (in all funding sources) should be required to refine and then apply metrics that assess the delivery of programs and services. Subcommittee members noted that the metrics used for both academic and nonacademic programming in some instances may not have provided adequate information for program analysis.
- Enhance annual campaigns to solicit contributions from alumni, EIU friends, and staff/faculty for contributions to “direct” scholarships(money in/money out to a student).
The growth of appropriated/tuition monies allocated to waivers and scholarships impacts the budget (8.8 million F12 actual to projected 12 million F14 and forecast 13 million FY15). An aggressive campaign could help offset the significant growing allocation of appropriated/tuition monies to waivers and scholarships (8.8 million FY12 actual to projected 12 million FY14 and forecasted 13 million FY15).
- Reinstitute and expand supervisor and managerial training
As resources become available, reinstitute the Program for Professional Enrichment IGP #20 or other such types of programming. Given the rapid turnover of employees at the university, it is important that new department heads, managers, administrators, well as others who are considering pursuing such career paths become more familiar with the operations of Eastern and with public higher education. Such training and professional development programs provide employees with the tools to more effectively carry out their roles as manager/leaders of their respective units. In addition, it may help faculty and others consider if they wish to pursue appointments within university administration.

Other Topics and Ideas

These are topics or ideas that had been brought up but we did not feel were appropriate to include in the above list due to time constraints and lack of full knowledge for campus community to feel confident in making an actual recommendation. Some may already be happening, some may be outside of the scope or purview of our subcommittee, some may be just plain ludicrous.

- Utilize space management and course scheduling in the most effective way possible to reduce unneeded/underutilized sections or classrooms so that courses that are needed in larger classrooms have the space available when scheduled.
- Reinforce and further encourage faculty and staff to be more involved in the recruitment process.
- Form a subcommittee of CUPB (or other committee) dedicated to reviewing and improving processes used across the University.
- Assess career trends, student educational program interest, and emerging career trends to programs and degrees offered ensuring we are providing degree options for students relevant to career availability post-graduation.

CUPB Program Analysis Subcommittee on Student Affairs Recommendations

Subcommittee Members: Ann Brownson, Mona Davenport, Christine Edwards, Zach Samples, Jennifer Sipes, Grant Sterling, Vance Woods

In FY13, EIU's total income fund (appropriated funds and tuition) was \$108,033,000. The Division of Student Affairs was allocated 4% of the income fund (\$4,517,549). Attachment 2 (titled "Income Fund Budgets FY13") indicates the amount of appropriated funding received by each Student Affairs department in FY13.

Our subcommittee noted that the following departments within Student Affairs do not receive any appropriated funding:

- Fraternity and Sorority Programs
- Student Health Insurance
- Housing and Dining Services
- Health Service
- Textbook Rental Service
- Student Standards
- Student Legal Service
- University Union

*Because the University's goal is to cut \$7 million in appropriated expenditures, our subcommittee did not discuss these areas. (Cutting or eliminating these departments would have no effect on the income fund.)

The Division of Student Affairs relies heavily on revenue generated by student fees. As Eastern's enrollment has steadily declined since FY10, the amount of student fee income has likewise declined. Attachment 3 (titled "History of Student Affairs Fee Income") outlines Student Affairs' cumulative loss of \$9,464,095 in student fee income from FY10 to FY13. (This figure does not include the amount of revenue that has been lost as income for services – e.g., sweatshirts in the Bookstore, coffee at Java B&B, etc.) In order to remain operational, departments have been cutting expenditures since the beginning of the enrollment decline. The following number of positions in Student Affairs were not filled: FY11 – 64 positions, FY12 – 46 positions, FY13 – 55 positions, and FY14 – 79 positions. (For further detail, please see Attachment 3.) Until enrollment begins to increase again, Student Affairs will continue to lose student fee income and continue to be forced to make additional cuts accordingly.

Our committee reviewed the departments in Student Affairs that receive appropriated funding. They were the following:

- Campus Recreation
- Career Services
- Counseling Center
- Intercollegiate Athletics
- Military Student Assistance Center (reports to Director, New Student Programs)
- New Student Programs
- Student Community Service
- Student Life
- University Police Department
- VPSA Operations

After review, our committee offers the following recommendations to reduce expenditures:

Because the Division of Student Affairs receives 4% of the University's appropriated funding, we used 4% of the total \$8 million in appropriated cuts (\$320,000) as a guide for determining specific recommendations.

1. Explore contract length reductions for counselors in the Counseling Center (9, 10, or 11 month contracts).

Contract Period	1 Counselor	2 Counselors	3 Counselors
11 months	\$3,634	\$7,268	\$10,902
10 months	\$7,268	\$14,536	\$21,804
9 months	\$10,902	\$21,804	\$32,706

2. Look across Student Affairs for other departments in which employee contract lengths may be shortened to 9, 10, or 11 month contracts (rather than 12 month contracts). Also consider shorter contract lengths as new staff are hired.
3. Reduce the appropriated budget of Intercollegiate Athletics by 10% (\$188,943). This includes Intercollegiate Athletics and Sports Information.
4. The estimated balance of approximately \$100,000 shall be taken from the budgets of Student Affairs departments in whatever way the Vice President for Student Affairs deems to be best.

In an effort to enhance recruitment and retention, our committee also offers the following recommendations:

1. Career Services – Add an additional 10 month position that will focus on building relationships with large businesses and facilitate internship opportunities for students. This staff member would also be tasked with offering one-on-one career counseling sessions for students, which would reduce the wait time for a career counseling appointment. (Currently, the wait time for a career counseling appointment is approximately 2-3 weeks.)
2. Student Life – Increase funding for programming so that more activities can be offered for students. These programs should especially focus on leadership development through training and applied learning opportunities.

Other thoughts from the committee:

1. The University Police Department should proceed with filling the four vacant officer positions.
2. As enrollment increases and revenue allows, our committee acknowledges the need for enhancement in the Division of Student Affairs.

Attachment 3.

History of Student Affairs Fee Income					
FY10-FY13	FY10	FY11	FY12	FY13	FY10-FY13 Cum. Loss
Student Affairs Fees	51,078,183	49,669,924	48,065,387	46,035,143	
Cumulative Loss		1,408,259	3,012,796	5,043,040	9,464,095

History of Student Affairs Vacant Positions					
FY11-FY14		FY11	FY12	FY13	FY14
Positions Left Unfilled		40	42	54	66
Positions Eliminated		24	4	1	13
Cumulative Loss		64	46	55	79

CUPB Program Analysis Subcommittee on Academic Affairs Recommendations

Subcommittee Members: Jonathan Blitz, Assege HaileMariam, Mahyar Izadi, Allen Lanham, Gloria Leitschuh, Darlene Riedemann, Anita Shelton,

In accordance with the charge from Eastern Illinois University President William Perry to identify areas for possible monetary reductions and reallocations using the University Mission Statement as a guide, the Council on University Planning and Budget Academic Affairs Subcommittee submits the following recommendations for review by the President and the Board of Trustees.

General recommendations:

1. Conduct a careful analysis of administrative staff positions. Analysis should include comparison to peer institutions.
2. Investigate the possible savings of future retirements and departures. A cost analysis should include possible savings derived from retirement incentive options or early buy-out programs.
3. Clarify EIU enrollment goals and establish an optimal faculty/student ratio prior to reducing any faculty positions. In addition, administrator/student and support staff/student ratios should be reviewed for possible reductions.
4. Review possible duplication of services among academic course offerings.
5. Provide each unit being recommended (below) for closer analysis a collective opportunity to review its own area for possible reductions.
6. Reallocate additional funds to programs that can demonstrate they have more qualified applicants for admissions than they can handle with current levels of support. The University Strategic Enrollment Plan should be consulted in this process.
7. Review all reassigned faculty time.
8. Increase online offerings where appropriate, including for online licensure programs with demonstrated potential to draw enrollment.

Specific areas recommended for closer analysis:

1. The efficiency of and possible duplication of services among the Student Success Center and all student academic support offices.
2. The structure of CATS/ITS and technology support staff. Analysis should include comparison to peer institutions, possible overlap of services, and staff/student ratios.
3. The staff and structure of CASA. Analysis should include possible overlap of services, and staff/student ratios.
4. The current level of support for and activity of Faculty Development.
5. The BOT degree: its benefit to students and its administrative cost.
6. The efficiency of the Study Abroad office.
7. The efficiency of the Minority Affairs office.
8. The staffing in dean's offices.
9. The staffing in departmental offices.
10. The financial viability of low-enrolled graduate programs, taking into account the academic mission of the university.
11. Costs of assigning multiple staff in University Foundations courses.
12. The possible reduction of some service staff from 12 to 11 or 10 month contracts.