



Cost Savings Committee Group Recommendations

The Cost Savings Workgroup presents the following recommendations based on research and interviews collected by our subcommittees, including a survey of employees on the UM campus. Appendices with detailed cost savings suggestions and employee survey results will be included in our final report.

Recommendation #1

Develop a systematic and strategically based justification process for all new and renewable positions on campus. Personnel costs make up the lion's share of the budget at UM. While we believe UM has a productive work force, the university would benefit from a system that allows and encourages units to reallocate and transfer resources based on strategic needs. We believe this will save money in the long-term.

Recommendation #2:

Procurement transformation on the UM campus. Research demonstrates that we can do a much better job of procuring goods on this campus. There are potentially (six to seven figure) long-term annual savings from leveraging our buying power to buy everything from paper goods, lab supplies, technology, etc. The current system, Grizmart, does not always provide the best prices for goods and for some end users is tremendously time consuming. This is borne out in our survey and the fact that currently 5% of university transactions actually take advantage of contract pricing. Many academic departments purchase more services than products. Contracted services and other smaller transactions should be exempted from Grizmart, allowing procurement to focus on getting the best value on large ticket goods that will save money for the entire campus.

Recommendation #3

Smaller cuts, program combinations, and campus office consolidations would add up to large savings. Removing redundant activities, combining student support/academic services, strategic outsourcing, and reexamining campus practices and procedures can make meaningful long-term savings. Many areas were identified in our survey, including increasing building energy efficiencies, unnecessary watering, IT centralization, motor pool, eliminating the Graduate School, consolidation of campus units (International and career offices) where possible, etc. We will include a comprehensive list of suggestions to be considered with our final report.

Recommendation #4

Create competition for goods and services on campus. Because of "right of first refusal" there is no incentive to save money, increase efficiencies and, in some cases, improve quality of goods and services on campus. The committee strongly encourages that a threshold of 10%-15% profit, above-market, be established beyond which units are able to shop competitively for services with licensed professionals off campus. This will cut costs in the short-term for units and in the long-term for the campus. It will also improve morale among managers and the work force.

Recommendation #5

Continue the work of this committee. We believe that cost savings is an ongoing process. We hope that UM can come forward with a plan to encourage and incentivize cost cutting ideas. We also hope that a working group like ours or some other group will convene regularly to monitor progress and make specific recommendations for continued cost savings.

Recommendation #6

Time frame for implementation and communication. We feel it is important for the University to make decisions incorporating our key Recommendations described above and as detailed in the related appendices; to decide on a time-frame for their implementation; and to communicate what these recommendations are and the progress toward achieving them to the general University Community.

Summary of Cost Saving Suggestions Received
by Or Prepared by Cost Savings Committee
Members by Functional Areas

Utilities**Annual Savings**

UM has water rights to irrigate from existing well on campus rather than using water purchased from Mountain Water Company. There will be a cost to develop this capacity.	?
Analysis of our electrical usage shows if we can reduce our peak campus demand for 158 hours a year we can save \$30,000/yr. This will require some investment to allow scheduling of power using equipment. There is a potential savings of \$10,000/yr if we can get the stadium power onto the main campus meter.	?
Performing Retro-commissioning (RCx) on our existing buildings will save 10% to 30% of the energy used by the building and improve comfort. In the Lommasson building alone this is \$30,000 to \$90,000/yr. A recent RCx at the Davison Honors College Building yielded \$48,000/yr. savings with a \$12,000 investment.	?
HVAC Controls Optimization: Implementing control upgrades and tuning yield good savings with little investment and an increase in comfort. Need additional controls/commissioning tech. to accomplish.	?
Create incentives for desired behavior. Allow all departments to pay their utility bills and keep any savings from the savings they create.	?
Implementation of motion sensors in the academic buildings so that bathrooms, hallways and classrooms do not drive up costs of operations by lights being left on needlessly in the night.	?
Run sprinklers in the evening to avoid the hot afternoon sun or turn them off during rainy periods.	?

Dennis Hardwick of the Facilities Services staff tested some energy-savings ideas of his in the Mansfield Library recently according to Stephen Lodmell and his first installation saved Mansfield \$7000 in energy costs in the month of either July or August 2013 alone!

Information Technology**Annual Savings**

<p>Move graduation applications and major change forms to an electronic format; the carbon copy change forms are very costly (as are all the other carbon copy forms used in the Registrar's office).</p>	?
<p>Bring Paper Heavy Process Online Where Possible: UM currently owns Banner Workflow software, it just needs to be implemented. This would drive many paper-based processes in the Registrar's Office to an online format (major changes, course add/drops, graduation applications, etc.), and many other administrative offices could use the Workflow software as well. Keeping item 4 in mind with utilizing teams of student interns under professional staff supervision whenever possible for the Workflow implementation, this should be possible without an extravagant price tag, and would result in cost savings for paper as well as time and effort savings in the long run.</p>	?
<p>Duplicated Software and Licensing Fees: There is a great opportunity to save costs on software at UM, whether by doing away with archaic and underutilized programs entirely, or by different offices "piggy-backing" on the same institutional licenses to save operating costs. The subgroup recommends that Central IT do a campus-wide audit of all software being used currently and look for any potential cost savings. We also recommend doing away with Right Now/Ask Monte immediately (\$37,000 savings). Student usage of this system is too low to justify the cost.</p>	?
<p>Utilize Student Interns to Staff Major Implementation Projects: There are two major implementation projects that are desperately needed on campus (among others): degree audit software and a workflow process (workflow relates to item 5 below as well). A large part of campus resistance to move forward with purchasing and implementing these sorts of platforms is the lack of programming resources, i.e. not enough programmers to pull off current projects to work on implementation teams. The subgroup recommends researching pertinent academic departments on campus that require students in their majors to complete internships – mainly Management Information Systems and Computer Science – and analyzing the feasibility of employing student interns on large implementation project teams.</p>	?

Campus Maintenance**Annual Savings**

Review grounds keeping routines with eye toward water conservation and reduced mowing to reduce related costs.	?
Journeyman Plumbers maintain the irrigation system. This work can be preformed by the grounds staff as it is down stream of the backflow preventor.	?
Cost charged by facility services seems to be very high for painting or carpeting. Would it be more efficient and cheaper to UM to outsource this type of work to local suppliers? In general, faculties policies, procedures, and practices need to be reviewed.	?
We don't need office trash taken out daily. Perhaps there could be a "trash day" once a week for units in the same building.	?

Human Resources**Annual Savings**

Human Resources could consider adding a cost-savings bonus initiative. Staff members who create innovative (and quantifiable) cost-saving solutions could be eligible to receive a small bonus.	?
UM to explore offering a High Deductible Health Care Plan with a Health Savings Account option (would replace the Flex Account for participants) modeled on the University of Idaho since benefits are "always one of the biggest line items of every office" to quote Maureen Ward, a Staff Senator.	?
Create compensation incentives for outstanding employees - not just in-range progression and career ladders. Why is there a financial pool for faculty merit pay, but nothing for staff advancement?	?
Create incentives for staff and faculty recruitment - tuition waivers for dependents, etc.	?
If there is a position that should be deleted and the person is near retirement offer them some health insurance. There may be people on campus that would willingly retire at 62 if they didn't have to pay big bucks for their health insurance until they are 65 and eligible for Medicare.	?
Administrative Search Overspending: It is no secret that UM spends a lot of money on administrative hiring searches. Whether one is considering the "wine and dine" aspect of searches or simply bringing candidates here who we realistically cannot afford (and who probably would have never applied to the position at all had they been made aware of the salary possible for the position they applied to on the job posting). The subgroup recommends establishing guidelines for administrative search committee chairs, ideally the guidelines would be administered and communicated by Human Resource Services, and possibly posting salary ranges on all future position vacancy announcements for administrative level positions (and faculty?).	?

Miscellaneous

Annual Savings

Alcohol: \$70,000 spent on alcohol for various functions excluding sales at concerts or other 'retail' purposes and excludes Foundation alcohol purchases. This is annual spend from institutional funds (state, designated, or auxiliary).	?
Eliminate expensive retreats for Main Hall Administrators until our financial situation improves.	?
Some departments claim they can save money by renting from Enterprise rental car in Missoula at \$39.99 per day with unlimited mileage rather than using campus transportation to rent the cars. This may be an opportunity for outsourcing.	?
If programs decide to make internships mandatory, there needs to be associated resources/investment in order to make this happen	?
It has been mentioned to me several times that many employees going to Helena for meetings use their own cars and charge mileage, etc. when they could be car-pooling with other UM staff joining the exact same meetings on similar days/dates in Helena! Because they wish to leave 15 minutes or an hour later, or silly reasons like that!	?
	?
	?
We wonder how many departments including faculty members are paying for subscriptions to hard copy journals that the library is also paying for electronic subscriptions for	?
	?
We wonder how many printer cartridges we could refill locally with a supplier in Missoula at half of the cost we pay for new cartridges and whether this could be organized across campus with a supplier	?
	?
We wonder how many faculty members of administrators have the University pay for subscriptions or memberships they really do not use, or if we can consider sharing such memberships among various faculty members says in a department to save costs	?
	?
	?
We wonder how many UM Employees book flight reservations at the last minute (same for visitors paid by UM or interviewees paid by UM when planning ahead could substantially reduce the cost of such flights.	?
	?

Procurement:	Annual Savings
Leverage Online Travel Booking Tool through US Travel which contains preferred hotels, airlines, & rental cars at WSCA pricing. In FY12, UM spent \$3M on hotels, \$2.8M on airlines, \$641K on travel agencies, and \$291K on rental cars. Conservatively, 5% on all of the above yields significant savings.	\$337,000
Laboratory Equipment & Supplies: Use contracted vendors (\$4.7M annual spent across 207 vendors).	\$235,000
Office Supplies: Use 1 of 3 negotiated contracts (\$1.7M annual spent across 31 vendors).	\$85,000
Negotiate new Dell Computer Contract to include recommended configurations for desktops/laptops.	\$70,000
Strategic Sourcing Event: Janitorial Supplies (\$670K annual spent across 18 vendors).	\$54,000
Strategic Sourcing Event: Bottled Water (\$56K annual spent across 2 vendors).	\$6,000
Total:	\$787,000
Managed Print Services: Centralized print device management with automated fulfillment of device supplies (savings up to 20%).	?
Equipment Maintenance Management Program (EMMP): 15-30% savings on equipment maintenance agreements (already in place, low participation).	?
Digitization: Migrate from paper and paper processes.	?
Audit Recovery Services: Analyze utilities and telecommunications for overbilling and/or pricing anomalies.	?
Launch campaign to renegotiate all UM contracts: Call it "Drive to Thrive Campaign." Part of a similar effort in private sector that produced significant results (1000+ vendors, \$7.7M+ in savings)	?
Audit of entire inventory of telephone lines: Shut off unused lines and reduce where not needed.	?
Centralize the procurement of software for campus. (i.e. Adobe, Microsoft, etc.)	?
Develop campus-wide best practice manual for Purchasing Receiving & Storage similar to NACUFS attached file, and conduct periodic self departmental audits.	?
Bulk purchasing of paper throughout the entire campus from one or a few suppliers on a bidding basis.	?
Increase travel purchasing efficiencies: More processing of travel reservations online.	?
Reduce paperwork required on small Procard purchases.	?
Cell Phone: University spends almost \$100,000 for cell phone stipends and related costs. Records show numerous potential duplications; variances in stipend amounts; potential payments being made on non-existent phones.	?

Revenue Enhancement Suggestions

Consider and evaluate the possibility of establishing a School of Hospitality or similar due to the growing Tourism industry in the State of Montana, and our ability in such a case to leverage our fixed costs like Student Housing and Dining Services during especially the summer months to generate revenues.

Consider expanding our Testing Center to encompass more professional, high-paying exams like the CPA and CMA exams, for example, where students presently have to travel to Helena or Spokane to take them. Calculate a cost/benefit for such an investment, adding in other types of exams into the estimation model.

This idea we give credit to Arlene Walker-Andrews: figure out a new model for how to assess annual parking fees for staff and faculty based upon salaries, for example, which results not only in assessing such fees based upon annual salary but raises potentially some additional revenue for the University.

Summary of Cost Saving Suggestions Received
as Comments in the Employee Survey

Human Resources

The use of regular faculty members to teach courses on overload, when there is not emergencies present such as filling in for someone who is ill or has died is very expensive. Using adjuncts would save considerable dollars.

Having senior faculty teaching regular courses during summer term also is quite expensive, in comparison to junior faculty, adjuncts, and doctoral students

Pay closer attention to graduate students teaching upper-division classes, or instructors with poor evaluations continuing to teach large-section lower-division courses... A poor experience in the first two years of college will not secure retention of those students

Staff levels should be compared to national norms, and there are no incentives to add courses that will draw students.

One suggestion is to quit having higher paid faculty doing the work of lower paid staff. For example, as a faculty member I enter my own grades into CyberBear (the work of the registrar's office), I do my own budget tracking for my grants (the work of ORSP), print my own exams (the work of the department secretarial staff), am asked to participate in recruitment campaigns (the work of the Admissions Office), on and on and on. I get paid somewhere in the neighborhood of \$40 to \$50 per hours whereas staff to do these tasks are paid much less.

Follow the example set by Safeway in cutting their health benefit costs by 40%
<http://online.wsj.com/article/SB124476804026308603.html>

Information Technology

Video conferencing would save travel money; the travel budget should be cut greatly.

SAIT and CIT have a strange overlap in services with different goals. Why do 2 IT departments exist? Speaking of which why do we have 2 directory services as well that have the same information rather than having someone take the time to clean AD up? (I'm sure this is costing us around \$60k per year with the amount of time put into OpenLDAP.)

Kudos to ORSP for implementing One Note.

I would like to see computer port management be handled directly within IT again. IT should be provided a sufficient budget for these charges, rather than IT billing departments. I wouldn't be surprised if centralizing this activity again would save UM \$40,000 annually (the cost of a classified staff position that tracks and bills for this activity). This would be a good cost saving measure for UM.

In our Respiratory Care Program (which is within the Allied Health Professions) our budget is extremely tight. We're using Moodle to post almost all print-outs, so the students pay for the printing they want, and not the department. I have even given up my clinical pager, and gone to a Google voice texting number that the students can use for clinical emergencies. By using Google Voice and my personal cell phone, it costs the U nothing.

Utilities

Put outside air dampers on makeup units at Missoula College West Campus.

Consolidate lab resources...fume hoods are often used 1% of the time in most labs but they are an incredibly expensive to operate!

Turn off the hot water during the summer months. Hot water was unavailable in Shriber gym during several months this summer and I survived just fine.

Departments don't pay their own electric bill, therefore there is no reason to try and cut costs. Maybe the solution isn't to have them pay the bill, but rather give some sort of credit for reducing costs.

No, there's a lot of waste in my unit. For example air filters for the HVAC system are changed on a schedule rather than when they are actually dirty and need to be. Also there are many HVAC system components in each building that leak or don't work properly. These components (dampers, valves, steam traps, etc.) amount to energy waste which amounts to wasted dollars. Most buildings have scheduling which allows the HVAC systems and equipment to turn on/off when the building is in use. These schedules are not getting updated so buildings are running at all hours using steam, electricity, and water when no one is in the building. Our unit, Technical Services, has been struggling for several years to fill open positions. Without the manpower these components and schedules aren't getting checked regularly and/or fixed/updated. I don't have any comments for other units as I'm very preoccupied with mine.

Procurement

I believe the new plan to put all travel on an Expedia-like web site with all of the UM discounts pre-loaded is a great idea. It will help us to track receipts and keep faculty from paying too much for things just because they didn't know they should get a better rate.

Procurement has improved greatly in the past year. The GrizMart implementation has been made very flexible to meet the needs of researchers and is continuing to improve. Business Services AP and procurement are improving their efficiency by merging the processes and it is helping by reducing administrative time for my center. They still have some distance to cover, but I am confident it is in the works. I think other departments (HR for instance) could use a similar overhaul.

Desktop computer expenses are inefficiently spent by purchasing individually customized desktop units for faculty members. Cost savings could be achieved by both standardizing what is purchased for faculty and purchasing in volume, leveraging economies of scale. A secondary benefit of this would be standardizing of I.T. hardware, which would increase I.T. efficiency.

Department Restructuring/Elimination of Redundancy

Do not build a library in the new Missoula College Building.

Combine like functions, if the Missoula College campus moves to East Broadway, Griz Central is able to provide all those services to the students at MC. MC is currently unable to provide all of those services that are available in Griz Central.

Curry's budget gets all messed up by including SARC and Health enhancement. Separate them.

I think there could be cost savings in restructuring international services (i.e., we have an international programs office, foreign student office, international internships person, international recruitment person all in different offices).

Miscellaneous

Perhaps library hours can be trimmed since we have an extensive collection of remotely accessible materials.

It would be a huge step in efficiency and security to make at minimum all the entry doors to buildings on campus Griz Card swipe locks. At a department level this cost is too much to absorb, but if it were accomplished we could electronically unlock all of the buildings at 7 am and lock them again at whatever time without an officer having to make rounds and sometimes skipping doors.

One idea might be to have the Montana Kaimin eliminate a paper edition and go all-digital.

New office furniture is a waste of money.

I think we should start charging for medical records releases. I have mentioned this for over 7 years.

UM should close between Christmas and New Year's. There would be energy savings. So many people take time off that it's effectively worthless to have skeleton staffing- we are dependent on others being around to get things done so progress comes to a halt.

A cost saving idea was presented to me: The Prescott House should be turned into a Bed & Breakfast for visiting dignitaries, Presidential Lecture Series speakers, candidates for various positions on campus, overnight MSU employees, etc. The cost savings would be thousands of dollars a year.

Summary of Employee Survey Results by Survey Question

Summary of Employee Survey Results by Survey Question

- Do you think money is well spent in your unit? Do you think money is well spent in other units? Please describe and/or provide examples.
 - Money is well spent in own unit: 184
 - Too much spent on administration: 69
 - Unit has no money to spend: 63
 - Not well spent in other departments: 32
 - Not well spent in own unit: 26

Note: Some responses to the next question included comments recommending less be spent on administration. Those responses are included in the above tally.

- Do you have any suggestions to eliminate waste and inefficiencies that exist in departments and units across campus?
 - Reduce paper mailings and forms: 50
 - Increase building energy efficiency: 40
 - Make all forms/flyers/communication electronic: 38
 - Use less heat/ac: 35
 - Turn off lights/computers: 25
 - Spend less on watering/landscaping 23
 - Better building maintenance: 22
 - Reduce entertainment: 21
 - Review the need for land lines: 15
 - Extend computer lifetimes: 10
 - Recycle: 7

- Do you have cost saving solutions for your facilities and do you have specific upgrades in the near future that need to be addressed?

Note: Due to the similar nature of this question's responses to those in the previous question, I combined the two sets of responses.

- What are your thoughts on UM's recent commitment to marketing, promotion and student recruitment, especially as it relates to return on investment? Please explain.
 - Money is well spent/effort is needed: 126
 - Cost is excessive/not needed/ could be better spent: 44
 - Need to measure recruiting efforts/too early to tell: 36
 - Too much spent on logo: 26
 - Thrive is not good: 20
 - MSU is doing better than UM: 18
 - Recruit more from MT: 8

- What is your opinion on UM's hiring and onboarding process? Do you have suggestions for improvement, especially as they relate to cost-saving initiatives? Please explain.
 - Hiring is too slow: 36
 - Offer more competitive salaries: 32
 - New onboarding process is improving/good: 25
 - Too many unnecessary searches: 15
 - Skype interviews: 10
 - Less wining and dining: 9
 - Onboarding process is bad: 8

- Do you feel your colleagues generally execute internal customer service well? Please explain.
 - Unit does a good job: 138
 - Mixed: 62
 - Not at all: 30

- In general, do you feel students are served exceptionally well? Please explain.
 - Unit does a good job: 120
 - No: 60
 - Mixed: 59
 - Administrative tasks are too complicated: 30
 - Advising could be improved: 27

- Several services/areas can be structured as centralized or decentralized. Are there areas that you think could be restructured or reorganized?
 - IT should be more centralized: 28
 - Business services should be restructured: 17
 - HR should be restructured: 17
 - Graduate School is redundant: 14
 - Facilities services: 9
 - Purchasing of supplies should be more centralized: 7

- Do you have any feedback or suggestions on the budgeting process at UM?
 - More transparency: 49
 - Allow for more input: 14

- In your opinion, are UM's procurement/purchase processes adequate, especially as they relate to cost-saving measures?
 - Less than adequate: 50
 - Somewhat adequate: 32
 - Inadequate: 32
 - Neutral: 27
 - Very adequate: 16

- Please explain.
 - Grizmart is bad/needs work: 48
 - Procurement process is too complicated: 32
 - Purchasing should be more centralized: 19
 - Pro Card is effective: 8

- Do you feel that duplication of services/effort exists?
 - Occasionally: 145
 - Often: 73
 - Never: 18

- Examples.
 - Registrar/admission/scheduling: 11
 - HR: 9
 - Business services: 8
 - Computer labs: 6

- What would be the benefits or drawbacks of outsourcing functions/practices? Please describe these and provide examples, if applicable.
 - Do not outsource: 58
 - Bad for the community/mission conflict/job losses: 47
 - Lower quality service/loss of control: 47
 - More cost effective: 37
 - Outsource dining services: 8
 - Outsourcing could cost more: 7

- How do you feel about the time it takes to process information? Do you have any solutions to improve the workflow of campus transactions?
 - More electronic communication: 48
 - Not good: 35
 - Use electronic approval: 19

- Processing time is good: 18
- Do you think UM's efforts in sustainability, as it relates to savings are:
 - Neutral: 96
 - Somewhat adequate: 83
 - Less than adequate: 39
 - Very adequate: 20
 - Inadequate: 19
- Please explain.
 - More energy efficient buildings: 30
 - Not knowledgeable: 18
 - Less paper mailings: 17
 - UM is doing alright at sustainability: 16
 - More recycling containers: 15
 - Solar/renewable energy: 8
- In your opinion, what ways can the University reduce the consumption of services, materials, and products? Should we explore alternatives?
 - Use less paper/more electronic communication: 46
 - Less watering/mowing: 19
 - Recycle more: 14
 - UM is doing a good job at reducing consumption: 4
- How do you feel about the mandatory requirement of using only UM services?
 - Pricing not competitive: 102
 - Catering requirement is not good: 47
 - In general, a bad idea/Creates monopolies: 35
 - It is good, supports UM: 31
 - Service is not competitive: 21
 - It is ok if the price is competitive: 18
 - Requirement for maintenance services is not good: 8