

University of New Mexico

***Cost Containment/
Revenue Generation
Recommendations***

Submitted to President David J. Schmidly

On March 11, 2010

By the

President's Strategic Advisory Team

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Preamble

On February 10, 2010, President David Schmidly held a meeting to invite a group of 20 members of the University of New Mexico Community (listed on page 49) to serve as members of his newly formed “President’s Strategic Advisory Team” (PSAT). During that meeting, President Schmidly presented the following overarching charge for the work of this new advisory group:

To design and evaluate possible scenario models for cost containment, process improvement, and an evolved organizational structure for UNM that will:

- *Provide the greatest levels of efficiency, communications, and accountability within operational processes, both in academic and administrative areas;*
- *Optimize UNM’s ability to carry forth its mission and abide by its core values;*
- *Create tangible savings; and*
- *Aspire to create a model organizational structure for the modern public research university in the post-economic meltdown world of the 21st century.*

President Schmidly also identified project principles and parameters that included a two-fold focus to:

- Identify a broad range of strategies to achieve systemic process improvements, cost reductions, and long-term efficiencies; and
- Develop the most effective and resource-efficient organizational structure to carry out the core processes of university operations, in service to the mission.

The President then outlined eight key areas for initial investigation, including purchasing; energy efficiency; health benefit strategies; leveraging information technology; leveraging the talents; capabilities; and productivity of our faculty and staff; efficiency in the utilization of space and facilities, generation of revenue from other sources; and communications and marketing. He also charged the team with identifying potential efficiencies in both academic and non-academic areas. One of the President’s goals for this endeavor is to identify savings over time that can be invested in UNM’s core missions of teaching and research.

While the President’s intention is for the PSAT to serve as an ongoing work group, an initial “milestone” task was given to the team to identify recommendations for \$2m to \$3m of I&G cost savings and/or new revenue for implementation during the FY11 budget cycle, along with initial ideas for longer-term opportunities to pursue over the next couple of few years.

After hearing the President’s charge, all 20 individuals accepted the President’s invitation to serve.

Since that initial meeting, the Team has worked diligently to meet their first milestone. This report is the result of four weeks of thoughtful, focused, and committed work on the part of the Team.

The Team's Process

The members of the team immediately began preparing for the task at hand. An organizing meeting was held on February 15th to launch the work. Documents describing the President's charge to the team were placed on the "Office of the President" web page. A web form that would allow members of the UNM community to submit their ideas was designed and posted. "Subject Matter Experts" (SMEs) with specialized experience and information were identified to come and talk to the team in order to build a common platform of knowledge for the Team members. And, the first full workday was scheduled for February 18th.

The first workday was largely devoted to learning and listening. SMEs representing Budget and Planning, Facilities, Purchasing, IT, Utilities, Marketing and Communications, and Human Resources came to talk to the group about their respective processes and ideas for cost containment. At the end of the first workday, the Team divided into three sub groups for deeper exploration on ideas that were emerging and to further investigate those that seemed to hold promise. These sub groups included the following:

- I&G Spending, and Academic Programs
- IT, Purchasing, and Conservation
- HR and Revenue Generation

Groups began meeting immediately to continue learning and develop initial recommendations to present to the team at its next full workday, on February 26th.

In the meantime, and almost immediately upon posting the web form, ideas for cost savings and revenue generation began arriving. To date, more than 115 ideas have been received and reviewed by members of the team. While optional, a number of individuals identified themselves by name and status. Ideas were submitted by faculty, staff, students, alumni, and concerned members of the community. Review of suggestions and ideas will be an ongoing task for this Team.

The Team's February 26th workday began with 12 faculty and staff members who had submitted and signed their names to their recommendations for cost containment joining the group to talk about their ideas. This discussion was followed by a presentation by the UNM Foundation, and then presentation from the three sub groups on what they had learned during their week of deeper investigation, followed by their recommendations. The team then created a matrix of the most promising ideas, as follows:

- Short Term: For implementation in FY11
- Mid Term: For exploration and study during FY11, and implementation in FY12
- Long Term: For exploration and development in FY11 and 12, and implementation in FY13

The sub groups were then assigned items from the matrix to further study, identify true cost savings, and to begin the process of writing narratives for the final report.

The Team's final workday for their "phase one" task occurred on March 5th. The day began with a meeting with the Deans to learn about their priorities, concerns, and respective cost containment activities. This was followed by a final SME presentation from Alumni Relations. The Team then focused the work required to organize and produce the final report.

The week of March 8th was completely devoted to writing and testing language for the recommendations, culminating in the production and delivery of this report.

Throughout the process, the President's Strategic Advisory Team has been committed to listening, learning, and transforming ideas into sound, implementable recommendations, in service to the mission of the University of New Mexico.

Short-term Recommendations – For FY11 Implementation

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Negotiate Accounts Payable Terms	\$173,184	\$51,950 (Recurring)
Post Capital Project Blueprints & Project Manuals in .pdf Format	\$315,000	\$0 (Savings realized in capital funding)
Eliminate Bottled & Water Cooler Water	\$83,000	\$14,940 (Recurring)
Obtain Furniture Quotes	\$198,532	\$59,560 (Recurring)
Negotiated Dell Contract Pricing	\$1,000,000	\$300,000 (Recurring)
Shift Printing from Desktop Printers to Copier Fleet	\$280,000	\$84,000 (Recurring)
Microsoft Campus Licensing Agreement	\$1,000,000	\$300,000 (Recurring)
Benefits Dependent Audit	\$500,000	\$165,000 (Recurring)
Contributions to Educational Retirement Board	\$360,000	\$160,000 (Recurring)
Hold Staff Positions for Two Months	\$1,000,000	\$1,000,000 (Non-recurring)
Academic Program Review Operating Budget	\$20,000	\$20,000 (Recurring)
Provost Office Reorganization	\$70,000	\$70,000 (Recurring)
Freshman Family Day Budget	\$40,000	\$40,000 (Recurring)
Extended University's Reduction in I&G Allocation	\$300,000	\$300,000 (Recurring)
Elimination of Paper Flyers	TBD	TBD (Recurring)
Reduced Frequency of Office Cleaning	\$269,532	\$269,532 (Recurring)
UNM Foundation's Reduction of Reliance on I&G Funds	\$200,000	\$200,000 (Recurring)
TOTAL	\$5,809,248	\$3,034,982

Recommendation:
Accounts Payable Payment Terms

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

Current UNM payment terms on Invoices is “net 30 days.” This means that UNM will pay the vendor the total invoice amount within 30 days of the invoice. This recommendation is to negotiate with vendors that UNM will pay 99% (1% discount) of the invoice amount within 10 days of the invoice date.

Total eligible payments for FY2009 was \$173,184,502, if we save 1%, the savings is \$173,184.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings? *	Owner (for implementation, metrics development, and tracking purposes)
\$173,184	est. 30% or \$51,950	Yes	Captured	Bruce Cherrin

Discussion of Implications and/or Cautions:

This process should be transparent to users, as all UNM Invoices are required to be sent directly to the Accounts Payable department.

* Please see definitions of “centralized,” “captured,” and “unit-based” savings on page 51.

Recommendation:

Post Capital Project Blueprints and Project Manuals in .pdf Format

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

UNM Purchasing and Office of Capital Projects (OCP) have adhered to the practice of providing printed blueprints and project manuals for all contractors/bidders on all projects. This recommendation is to provide the documents in .pdf format on the Purchasing Department website for contractors/bidders to download and utilize their own print resources. Possible savings are \$315,000 per year in printing/paper costs combined with reduced administrative labor and reduced paper usage and landfill waste along with energy savings.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$315,000	None, capital funding savings	Yes	Centralized	Bruce Cherrin

Discussion of Implications and/or Cautions:

None identified.

Recommendation:
Eliminate Water Coolers in Offices

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation recommends eliminating the purchase of bottled or “water cooler” water in departments. Over \$80,000 is spent per year on bottled water, when water fountains are prevalent in every UNM facility. Currently, the University is paying for the Physical Plant to maintain water fountains and provide drinking water services, while also paying for bottled water. By eliminating bottled water and water coolers, the University will stop paying twice for drinking water and eliminate the waste associated with bottled water. This is an easy and responsible way to contain costs.

Exceptions would have to be routed through the UNM Purchasing Department.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$83,000 (FY 09 Expenditures)	\$14,940 (18%)	Yes	Unit-based	Bruce Cherrin

Discussion of Implications and/or Cautions:

-The UNM Purchasing Department will have to enforce this rule and decide on appropriate exceptions (i.e., satellite facilities, departments with no access to potable water).

-Departments would lose control over the option to buy bottled water.

-The adoption of this recommendation would encourage PPD to install water refill mechanisms at water fountains as seen in the Student Union Building.

Recommendation:
Furniture Quotes

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation requires all furniture purchases of \$20,000 or greater on GSA/SPD contracts to obtain 2 bids prior to purchase. For instance, in FY2009 UNM issued 37 purchase orders for a combined total spend amount of \$1,201,321 for capital equipment-furniture (1400 account code); and 325 purchase orders for a combined spend amount of \$3,136,160 for non-capital equipment-furniture. The estimated cost savings is based upon saving 10% overall. Total estimated savings for one year \$198,532.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$198,532	Estimated 30% - \$59,560	Yes	Unit-based	Bruce Cherrin

Discussion of Implications and/or Cautions:

The benefits of this recommendation are increased competition among furniture vendors, and possible increased business for local small/minority vendors.

The negative aspect could be increased time to complete orders and resistance from departments due to perceived lack of control over vendor choice.

Recommendation:
Negotiated Dell Contract Pricing

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is the result of a significant collaboration between UNM Central IT Division, Departmental IT Agents and UNM Purchasing Department. These collaboration efforts resulted in 15% to 40% savings (depending on computer model) in deeper discounts than was previously offered through the Western States Contracting Alliance. In addition, the current Dell contract waives certain certification fees for up to 30 active UNM Technicians. Last year UNM purchased approximately 4000PC systems and the average savings using the Dell contracts is \$250/computer. If all PC systems (non-Mac) were purchased from the new Dell contract, the savings to UNM is \$1,000,000. The waived certification fees could save an additional \$230,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	Estimated at 30% or \$300,000	Yes	Unit-based with some Central IT Division savings	Bruce Cherrin

Discussion of Implications and/or Cautions:

The positive implications of this effort are to take advantage of standardization of computers that will increase our ability to service and make computers more interchangeable, perhaps extending the useful life as computers can be “passed-down” as they age to users with less power needs.

At the very least, all computers that attached to our ERP software system, Banner should be purchased from the Dell Contract to facilitate security software loading and monitoring.

Specialized teaching and research needs should be considered.

Security and supply chain risks related to depending on any single vendor should be investigated.

The cautions and/or negative implications are that many individuals/departments prefer certain brands and/or configurations for which they will sacrifice cost savings and university-wide economies of scale.

Many department heads/directors will see a requirement to purchase from the Dell Contract as a loss of control/self determination.

Recommendation:

Shift Printing from Desktop Printers to Copier Fleet

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to encourage university departments to eliminate or significantly reduce the use of desktop printers and shift printing to departmental copiers.

The current fleet of University copiers is networked to allow printing from all networked computers. The cost savings comes from the elimination of desktop printer cartridges. Estimated savings is \$.0121/page, or a conservative University-wide 1st year savings of \$280,000. Additional savings will be realized from lower on-site maintenance costs for desktop printers, decreased electrical consumption, and reduced desktop printer replacement and disposal costs.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$280,000	Estimated at 30% or \$84,000	Yes	Unit based	Bruce Cherrin

Discussion of Implications and/or Cautions:

- There will be some reluctance on the part of users and 100% implementation will not be practical.
- Costs associated with maintaining copier network capability should be assessed.
- Some situations require high-quality printing capability not available on copiers.
- Sending documents to a public copier may not be appropriate if the information is sensitive or confidential.

Recommendation:
Microsoft Campus Licensing Agreement

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to centrally purchase all Microsoft software licenses. This includes licenses, for HSC, UNMH, Branches, and Main Campus. The savings will accrue from original purchases and version upgrades, for example, Windows XP to Windows 7.

Estimated Total Amount to be Saved (desktops)	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Operating Systems: \$1,000,000	Estimated 30% or \$300,000	Yes	Centralized, with Departments retaining the savings	Gil Gonzales

Discussion of Implications and/or Cautions:

- UNM would incur a higher level of risk for software piracy.

Recommendation:
Benefits Dependent Audit

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

A dependent eligibility audit is a process designed to identify incorrectly enrolled participants in the employer insurance plans. Incorrectly enrolled or ineligible dependents can result in significant and unnecessary costs as well as create a compliance/fiduciary violation on the part of the employer.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$500,000	\$165,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

This can be perceived as a disruptive and invasive process. We will research potential back-pay liability for employees.

Recommendation:

Contributions to Educational Retirement Board

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

UNM currently makes the employer contribution for on-call and temporary employees from their initial employment date. The recommended change would begin contributions to the plan once the employee reaches 520 hours of employment (.25 FTE). State Statute & UNM policy specifically exclude employees at less than .25FTE. However, since the implementation of Banner, the contribution has been made to the ERB since initial employment. The employee contribution also poses a significant hardship on many of the temporary and on-call employees of the University.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$360,000	\$160,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

Some temporary employees may want service credit for their part-time service. This is mitigated by the fact that any employee who has made contributions through UNM will continue to participate in the retirement plan.

Recommendation:

Hold Staff Positions Vacant for a Minimum of Two Months

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

Over the course of the first 8 months of FY10, there has been approximately \$4 million dollars in vacancy savings (difference between budgeted and actual salary) for staff employees on I&G. If this amount is divided into monthly savings, there would be approximately \$500,000 each month that could be captured from individual departments. This recommendation could result in \$1 million of I&G savings.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	\$1,000,000	No	Captured and Unit-based split	Helen Gonzales

Discussion of Implications and/or Cautions:

It is impossible to determine how much of this savings is a result of the current Pause & Hold strategy. Some amount will be recurring, as there is always turnover with an average of 10%.

Historical practice has been that some units have balanced their budgets using vacancy dollars. This will need to be addressed.

Care must be taken to evaluate any potential negative impact on academics and research, as well as the operations of the University.

Recommendation:
Academic Program Review

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

The recommendation is to reduce the Academic Program Review operating budget by \$20,000. The current operational budget is \$60,000 and resides in the Office of the Provost. The savings will be found by reducing the number of external reviewers from three to two, and by reducing the number of yearly reviews from eight or nine per year, to seven or eight per year.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$20,000	\$20,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

This reduction will require attention to potential accreditation issues, since the original schedule and budget was set to complement professional accreditation cycles. Finding external reviewers may become more difficult due to increased workload. Additionally, care must be taken to ensure that there is not a decrease in thoroughness and/or quality due to the reduction of the number of outside reviewers.

Recommendation:
Provost Office Reorganization

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing the I&G budget for the Office of the Provost by \$70,000. This savings was offered to the committee by Provost Office. As part of its “discovery” process, a sub-group of The President’s Strategic Advisory Team met with Provost Office AVP Curt Porter, who indicated that a reorganization of the Provost’s office was doable and advisable. A retirement has occurred within the office, and the resulting position vacancy will not be filled. Reorganization has resulted in a restructuring of the duties of the vacated position so that current staff and student employees will cover them.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$70,000	\$70,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

The Provost’s Office was able to effectively reallocate workload so little if any impact on services will occur.

Recommendation:
Freshman Family Day

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to reduce the Freshman Family Day budget from \$80,000 to \$40,000. The remaining funding is enough to support the costs attributed to the convocation, but will eliminate the Duck Pond activities for freshmen and their families.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$40,000	\$40,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

This recommendation would preserve the formal Freshman Convocation ceremony but would eliminate the Duck Pond activities for their families and guests. The Freshman Convocation is a ceremonial event held at most colleges and universities in America today. Typically, this symbolic and traditional event marks the beginning of the academic year, and most importantly, welcomes incoming students to the institution, to its culture and environment, to its history and traditions, and to its leaders, faculty, and staff.

By preserving the ceremony, the University will continue to have the avenue to send this message and connect to our Freshmen and their families in a formal way. However, what we will potentially lose by eliminating the Duck Pond activities are the opportunities for engagement and sense of community that we provide our freshmen and their families. This event has served to welcome the community and to signal that they are welcome on this campus, that we expect to partner with the family to ensure student success, and that the University values the family and does not seek to separate students from their familial, cultural, and communal roots. It is also possible that the loss of the Duck Pond activities could adversely impact attendance at the ceremony.

Recommendation:
Extended University’s Reduction in I&G Allocation

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing Extended University’s FY10 Instruction and General allocation from \$1,699,300 to \$1,399,300, resulting in a reduction of \$300,000 for fiscal year 2011.

The present Extended University model is based on tuition generation from ITV and online course offerings. These offerings have seen unprecedented growth over the past few years and will allow Extended University to reduce a majority of their I&G allocation over the next few years.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000	\$300,000	Yes	Centralized	Jerry Dominguez

Discussion of Implications and/or Cautions:

Extended University must continue to maintain/increase current level of student credit hour (SCH) production. The issues of performance based budgeting, revenue sharing, the incentive model, faculty compensation, and other financial and programmatic issues must be addressed going forward.

Recommendation:
Elimination of Paper Flyers

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation asks that every office on campus make a concerted effort to communicate activities or announcements to the University community through electronic means as opposed to the current standard of paper flyers. Many of the web submissions of community ideas for cost containment that were received by the President’s Strategic Advisory Team stated that paper flyers should be eliminated. Doing so would reduce the amount of paper used by the University, and the reduced need for paper would result in cost savings. Additional savings could be realized from the reduction in the amount of time needed for mailroom sorting and delivery. Facilities Services would also have less recycling to pick up each day from the paper bins. This is also an environmentally conscious step to take to reduce the University’s use of paper resources.

One suggested approach involves creating a UNM “electronic bulletin board” where advertisements of upcoming events, newsletters, etc. could be posted.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Unknown	Unknown	Yes	Unit-based savings	Provost’s office (tentatively)

Discussion of Implications and/or Cautions:

Communicating University events to members of the general public may still require paper notification in some cases. Flyers posted off campus or available for distribution from centralized locations on campus (i.e. bookstore keeping a stack of sales notices at the checkout) should be expected. It is unlikely that a complete elimination of paper flyers can be done, but a serious reduction in their use can be accomplished. Some units may have to brainstorm creative ways to advertise without paper flyers. Overall, this recommendation should not be met with substantial obstacles.

Recommendation:
Reduced Frequency of Office Cleaning

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation proposes to implement reduced levels of custodial services (less frequent cleaning) over the next 18 to 24 months, to include cleaning offices twice per week as opposed to the current level of every day office cleaning. Other areas such as restrooms, common areas, and classrooms will continue to be cleaned every day. Due to current staffing levels due to rescissions, PPD has already begun to implement this program.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$269,532	\$269,532	Yes	Captured Savings	Physical Plant Dept.

Discussion of Implications and/or Cautions:

PPD estimates a 10% reduction (through attrition) in labor needed for this new level of service. Historically, Maintenance and Operations have had deficits in operating budgets since FY '06 (totaling \$2,285,392) that have been covered with PPD vacancies. The savings from the new custodial services program will be reallocated to support Maintenance and Operations.

Recommendation:

UNM Foundation's Reduction of Reliance on I&G Funds

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing the UNM Foundation's FY10 Instruction and General (I&G) allocation from \$1,693,000 to \$1,493,000, resulting in a reduction of \$200,000 for fiscal year 2011.

The UNM Foundation is an independent foundation, which allows for a more centralized, better-coordinated and cost efficient fund-raising organization. The UNM Foundation's long-term goal is to become completely self-funded with no reliance on Instruction and General funds.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$200,000	\$200,000	Yes	Centralized	Mike Kingan

Discussion of Implications and/or Cautions:

As a result of assuming expenses from the UNM Foundation reorganization and in combination with the effects of declining financial markets, the Foundation has already requested an increase for the Development Funding Allocation from 115 to 185 basis points. If market conditions do not improve and the Foundation is required to absorb costs previously paid for by I&G funds, this could potentially result in a further increase in the basis points.

President's Strategic Advisory Team - Cost Containment/Revenue Generation

**Mid-term Recommendations - For Study During FY11,
With FY12 Implementation**

Note that for many of these recommendations, determination of actual costs saved would be determined as part of the study period to better understand the cost versus benefit of moving forward with the concept.

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Cell Phone Stipend	\$300,000	\$90,000 (Recurring)
Standardize University Edge Network Devices	\$1,386,000	\$415,000 (Recurring)
Evaluate Long-term Care Insurance	\$560,000	\$185,000 (Recurring)
Explore Tuition Remission for Continuing Education	\$1,000,000	\$300,000 (Recurring)
Administrative Fees from Revenue Producing Units	\$1,400,000	\$1,400,000 (Recurring)
Continued Reduction of I&G Support for Extended University	\$300,000 (in addition to \$300,000 saved in FY11)	\$600,000 (Cumulative and Recurring)
Evaluate I&G Support for Alumni Relations	TBD, knowing that \$733,040 is the full amount of I&G support currently given)	Up to \$733,040, over time
Evaluate a Reduction in Stop-loss Insurance	\$500,000	\$165,000 (Recurring)
Explore a Buyout of the Energy Educators Inc. Contract	TBD	TBD (Recurring)
Explore Creation of a Marketing and Communications "Service Center"	TBD	TBD (Recurring)
Explore Merging Office of Graduate Studies with the Office of the Vice President for Research	TBD	TBD
Evaluate Structure of the Office of Equity and Inclusion	TBD	TBD
Explore Consolidation of Offices of Student Affairs, Enrollment Management, and Equity and Inclusion	TBD	TBD
UNM Foundation's Continued Reduction of Reliance on I&G Funds	Potentially \$1,493,000	Up to \$1,493,000 (Recurring)
TOTAL	\$7,672,040	\$5,381,040

Recommendation:
Cell Phone Stipend

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The basic premise of this recommendation is as follows:

An employee that requires a cellular phone in order to perform his/her duties, **and** is not being provided with a UNM cell phone may, with approval of the department head, receive a monthly reimbursement from the University for business usage of their personal cell phone, within approved limits. No employee will be granted a standard personal reimbursement if the University is already paying for a cell phone for their use.

Savings will accrue to the University when the employee provides their own phone and phone plan through their family plan and is only reimbursed the amount of business use, either \$30, \$50 or \$80/month. Cell phone charges for 100% business use through UNM Telecom can cost \$60 to \$200 per month including all charges (monthly fee, data charges and overages.) It is evident for most UNM employees that the UNM cell phone is not needed 24/7 and therefore some percentage of usage is personal or idle. Savings are variable based on the current UNM plan, but a conservative annual estimate is \$300,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000	Estimated at 30% - \$90,000	Yes	Unit-based	Ava Lovell & Accounting Offices

Discussion of Implications and/or Cautions:

A serious caution is the problem of funding for the UNM Telecom Department that is funded through up-charges and/or administrative fees charged on UNM cell phones and land lines. If a significant number of UNM cell phones and landlines are terminated, alternate funding must be found for UNM Telecom Department operations.

A caution is for Department Heads and Directors to carefully determine whether an employee has a business need for a UNM cell phone and/or a standard reimbursement for their personal phone.

Recommendation:
Standardize University Edge Network Devices

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to centrally purchase, operate and maintain network edge switches and routers that connect UNM buildings to the UNM IT Backbone. RFP # 1317-10 is available today.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,386,000	Minimum Estimated at 30% or \$415,000 Maximum Estimated at 64% or \$887,040	Yes	Recommend a 50/50 split on savings provided by units, 50% to units, 50% captured. Central IT units will generate improved security, savings on purchases, and service productivity.	Gil Gonzales Ava Lovell

Discussion of Implications and/or Cautions:

The positive implications are:

- Improved reliability and stability of the IT network.
- Improved security.
- Support and service delivery from central IT if all switches are the same.
- Reduced licensing costs for common software management tools.

The cautions are departmental IT staff loss of immediate control of departmental networks and firewalls.

Recommendation:

Evaluate Long-term Care Insurance

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

UNM provides, at no cost to the employee, a \$2,000 per month benefit to all full-time employees after one year of benefits-eligible employment. Premiums paid by UNM for fiscal year 2008-2009 totaled \$559,261. Premiums paid by UNM since July 1, 1999 totals approximately \$6,600,000. Eleven (11) claims totaling \$181,341 have been paid by UNUM since July 1, 1999.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$560,000	\$185,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

Last year, HR conducted meetings with the Faculty Staff Benefits Committee (FSB) to get input on employees’ perceived value of the Long Term Care benefit. Faculty Staff Benefits Committee members discussed the Long Term Care benefit with the various constituent groups that they represent, e.g. Faculty Senate, Staff Council, Retiree Association. Staff Council and Faculty Senate passed resolutions supporting retention of the Long Term Care benefit in its present form.

UNM employees value the Long Term Care benefit, especially as the UNM population ages (average age of UNM employees is approximately 50, and the number of claims is expected to rise). Employees need more education about Long Term Care insurance, and specifically about UNM’s Long Term Care benefit.

Given UNM’s current financial crisis, maintaining the annual premium for Long Term Care may result in the loss of 9 jobs at an average benefits eligible salary of \$62,082.

Recommendation:

Explore Tuition Remission Reduction for Continuing Education

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

UNM currently pays almost \$1.1 million each year to Continuing Education for non-credit professional and personal development. The details are as follows:

Total Use-\$1,064,171
Professional development-\$809,114
Personal Enrichment-\$255,057

Active Employees-\$871,391
Professional Development-\$728,530
Personal Enrichment-\$142,861

Retirees-\$192,780
Professional Development-\$80,584
Personal Enrichment-\$112,196

Continuing Education loses money on several areas, including professional development courses.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1 million	\$300,000	Yes	Captured	Helen Gonzales

Discussion of Implications and/or Cautions:

Employees attend Continuing Education for personal enrichment (leisure courses) or for professional development (e.g. computer courses). There may be more cost-effective options available. Continuing Education relies heavily on UNM’s contribution towards their budget.

Recommendation:

Administrative Fees from Revenue Producing Units

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

This recommendation is based on the premise that revenue producing and/or independent units should fund their portion of UNM's Institutional Support costs. Currently only the Health Sciences Campus and Auxiliaries fully fund their prorated share of Institutional support. Other units that under fund their prorated share are: Extended University, Athletics, Main Campus Research, Gallup Branch, Los Alamos Branch, Taos Branch and Valencia Branch.

The Shared Institutional Support Study for the year ended June 30, 2008 showed a total of \$1,414,752 of underfunding.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,400,000	\$1,400,000	Yes	Centralized	Various (Pres. Provost, EVP Admin)

Discussion of Implications and/or Cautions:

The cautions are many, not the least of which is the budget stress already being felt by the revenue producing and/or independent units. In addition, Branch Operating agreements would need to be revised on their annual renewal date.

Recommendation:

Continued Reduction of I&G Support for Extended University

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Extended University's (EU's) FY10 original I&G budget is \$1,699,300. Of this amount EU pays a flat administrative overhead fee of \$409,000 to the University, thereby EU's net I&G allocation is \$1,290,300. EU has agreed to reduce its FY11 I&G budget by \$300,000 for FY12 and an additional \$300,000 in FY13. These reductions will leave EU with \$690,300 of remaining I&G support. These remaining funds will continue to support areas not related to distance education, such as the Testing Center and support for instructional technologies on main campus.

EU is able to reduce their reliance on I&G funds due to unprecedented growth in ITV and online courses. EU will have to maintain/and or grow their School Credit Hours to maintain their current funding model, which includes revenue sharing with the Schools/Colleges.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000 (in addition to \$300,000 saved in FY11)	\$600,000	Yes	Centralized	Jerry Dominquez

Discussion of Implications and/or Cautions:

Implementation must include careful monitoring of potential impact to the quality of services delivered and programs offered by Extended University.

Recommendation:

Evaluate I & G Support for Alumni Relations

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Currently, UNM Alumni Relations receives an Instruction & General allocation of \$733,040 each fiscal year. The committee recommends to evaluate I & G support for Alumni Relations and look for strategies to reduce the annual allocation. There are a number of support programs (i.e. Student Affairs fairs, Legislative Actions and Outreach for President to Travel) that Alumni Relations pays for out of their budget. Each program needs to be evaluated for its effectiveness, value to the university, and opportunities to seek funding from alternative sources.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, knowing that \$733,040 is the full amount of I&G support given to Alumni Relations	Up to \$733,040, over time	Yes	Centralized	Karen Abraham

Discussion of Implications and/or Cautions:

Consideration must be given to maintaining quality services for UNM’s alumni.

Recommendation:

Evaluate a Reduction in Stop-loss Insurance

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Stop-loss coverage is initiated when a claim reaches \$300,000. Stop-loss pays claims up to the lifetime limit per employee for the self-insurance medical plan. This recommendation is to study the claims experience and cost-savings of raising the threshold to \$500,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$500,000	\$165,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

We will need to study claims data and initiate an RFP for \$300,000 and \$500,000 thresholds to verify the actual amount UNM could save on the insurance. There is a risk that there will be more catastrophic claims than savings.

Recommendation:

Explore a Buyout of the Energy Educators Inc. Contract

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The University of New Mexico entered into a four-year contract with Energy Educators Inc. that began in October 2008 to help implement an energy conservation program across all campuses. The contract is currently in its second year of four years and UNM has the option to buy-out the remaining two years. We recommend the Physical Plant Department Utilities Division to do a cost benefit analysis to determine if greater cost savings could be achieved by buying out the remainder two years of the contract.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	TBD	Physical Plant Utilities Division

Discussion of Implications and/or Cautions:

Care needs to be taken to ensure that accountability and knowledge for continuing the energy savings initiative is transferred to UNM leadership and staff. UNM staff members must gain and demonstrate the skills required to take on and continue the work of Energy Educators Inc. so that the cost avoidance the University has achieved as a result of this work will be continued.

Recommendation:

Explore Creation of a Marketing & Communication “Service Center”

Time Frame:

This is a **Mid Term** recommendation with planning to take place in FY11 and implementation to occur in FY12.

Overview:

This recommendation involves developing and piloting a “Service Center” model to provide high quality and cost effective marketing and communications services to units across the university.

The Service Center would operate as an institutionally subsidized, cost recovery unit that would expand cost recovery services to campus units. Services that could be provided could include creative planning, editorial services, design services, photography, and a digital library. This model would integrate and consolidate creative and visual service resources currently found in individual dispersed units.

Unit-based marketing could also be consolidated, including the coordination and facilitation of purchasing of marketing (including web related) contracts, services, software and licenses, or advertising media to assure best pricing and assist individual academic and programmatic units with specific projects for their audiences.

Integrating these resources would significantly expand the technologies and capabilities to the entire campus - cost recovery basis would provide for generation of resources to keep equipment updated and available.

This consolidation would contain costs, help ensure consistency of the University brand, provide efficiencies at the unit level and help create equity of services.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Centralized and Unit-based	Cinnamon Blair Susan McKinsey

Discussion of Implications and/or Cautions:

- Areas of caution would include project and resource management, including time management, location, in-take, and deadline management.
- Another area of caution would be the loss of some autonomy at the unit level. This may be perceived as a negative by units used to decentralization of marketing and communication.
- Without proper management, there might also be the perception of loss of time and flexibility.

Recommendation:

**Explore Merging Office of Graduate Studies with the
Office of the Vice President for Research**

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

One challenge at UNM is that there are a variety of graduate-level interdisciplinary and multidisciplinary academic and research programs that do not have a single home, and the lack of coordination among them and inherent duplication of staff and resources that results is inefficient and confusing. In addition, the University increasingly is required to offer certain kinds of training to all or large numbers of graduate students, such as training in the responsible conduct of research, and the inability to provide course credit through OGS creates considerable logistical difficulties and duplication in complying with these requirements. At many universities, graduate colleges are combined with research offices. While there are challenges with this arrangement, there are also some advantages and potential efficiencies that UNM should explore.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	TBD	Dean of Graduate Studies

Discussion of Implications and/or Cautions:

To be explored during the FY11 planning process.

Recommendation:

Evaluate Structure of the Office of Equity and Inclusion

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Two important questions must be asked that will require further, in depth study:

1. “Can the job that OEI does now be more effectively carried out under the umbrella of another VP’s structure, such as Student Affairs?”
2. “Is the benefit provided by OEI significant and effective enough to justify the costs expended for the separate VP structure?”

The Office of Equity and Inclusion oversees:

1. Office of Equal Opportunity,
2. El Centro de la Raza,
3. American Indian Students Services and
4. African American Student Services.

Many other units throughout Student Affairs are related or connected to OEI, but do *not* report to OEI. It also oversees a Recruitment and Retention of Minority Faculty unit, a Regent-charged program with a budget of \$440,000. OEI is composed of the VP, three staff members and three doctoral students with a budget of \$500,000.

A study of the ethnic programs’ benefits to students needs to be done. This will require the creation of data reporting system to measure effectiveness. In considering the need for a VP for Equity and Inclusion, data reporting on the effectiveness and benefits of the same programs when they reported elsewhere should be done. Many programs rely largely on legislative dollars appropriated through line item “special projects” in the state budget. Line items in the budget face the potential reduction in appropriation or elimination of the funding source. Having each ethnic program advocate for their funding interests sends a mixed message to legislators about UNM’s needs and priorities.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD		Yes	Centralized/Captured	

Discussion of Implications and/or Cautions:

Elimination of the OEI as a separate structure would go against the “pre-economic meltdown” trend in institutes of higher education to establish separate equity and inclusion offices. Community feedback may include the impression or assumption that “eliminating” the Office of Equity and Inclusion under a vice president means that the University is not focusing on diversity matters. It would need to be made especially clear that no programs are going away, but rather are merely reporting elsewhere for the sake of improved quality and cost savings. Additionally, the ethnic programs could lose the benefit and “clout” of having a VP’s direct involvement and support when it comes to securing their state funding if this is not addressed in the overall plan.

Recommendation:

Explore Consolidation of the Offices of Student Affairs, Enrollment Management, and Equity & Inclusion

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The offices of Student Affairs, Enrollment Management and Equity and Inclusion are all charged with serving the best interests of the students, from the time they first express interest in the University, through graduation. Each office manages an independent budget and is overseen by a Vice President. There appears to be some significant overlap in the services provided; for example each office manages various forms of scholarships, instead of having every available scholarship centrally managed.

Consolidating these three offices and Vice President positions into one would result in a significant and recurring cost savings, as well as potential improvements in the seamlessness and quality of services delivered. Consolidation would merely be a way to mitigate duplication of effort and program.

As this possibility is explored, a budget review should be undertaken. It appears that the funding given to the Offices of Enrollment Management and Equity and Inclusion when they were created to take over duties formerly in Student Affairs did not necessarily result in a correlated reduction in the Student Affairs' budget. A specific area for evaluation would be an audit of the efficiency of the multitude of organizations currently reporting to Student Affairs. The organizational chart in Student Affairs is vast and there may be a benefit from a close analysis of the effectiveness of the programs, and identification of where program duplication can be streamlined for better outcomes and efficiency.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	YES	Centralized	Provost Ortega

Discussion of Implications and/or Cautions:

This possibility requires careful scrutiny. Eliminating positions must be considered in accordance with the expiration of current contracts. There should be no interruption in the services currently provided by each unit.

Recommendation:

UNM Foundation's Reduction of Reliance on I&G Funds

Time Frame:

This is a **Mid Term to Long Term** recommendation, for implementation in FY12 and beyond.

Overview:

The committee recommended that the UNM Foundation's FY10 Instruction and General (I&G) allocation be reduced from \$1,693,000 to \$1,493,000, resulting in a reduction of \$200,000 for fiscal year 2011. Given that the Foundation is an independent foundation, the mid-term recommendation is to further reduce their I&G dependency

The UNM Foundation is an independent foundation, which allows for a more centralized, better-coordinated and cost efficient fund-raising organization. The UNM Foundation's long-term goal is to become completely self-funded with no reliance on Instruction and General funds.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, potentially \$1,493,000	Up to \$1,493,000	Yes	Centralized	Michael Kingan

Discussion of Implications and/or Cautions:

As a result of assuming expenses from the UNM Foundation reorganization and in combination with the effects of declining financial markets, the Foundation has already requested an increase for the Development Funding Allocation from 115 to 185 basis points. If market conditions do not improve and the Foundation is required to absorb costs previously paid for by I&G funds, this could potentially result in a further increase in the basis points.

President's Strategic Advisory Team - Cost Containment/Revenue Generation

**Long-term Recommendations - For Study and Development During
FY11, with FY13 Implementation**

Note that all of these recommendations will require broad and deep exploration to determine the full ramifications of moving forward with any given idea. For nearly all, determination of actual costs saved would be determined as part of an in-depth study and development period to better understand the cost versus benefit of any given concept.

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Balance Quality and Price on Contract Bidding Processes	TBD	TBD
Evaluate Moving to a Trimester System	TBD	TBD
Evaluate Move to Incentive- and Activity-Based Revenue Generation and Budgeting	TBD	TBD (Recurring)
Evaluate Reducing Reliance on I&G Funds for Intercollegiate Athletics	Potential = \$975,053 (the full amount of current I&G support)	Up to \$975,053 (Recurring)
Consolidations of UNM Email and Calendaring Systems	\$854,991 to \$3,419,000	\$256,497 to \$1,025,700 (Recurring)
Central IT Desktop Image	\$90,000 to \$180,000	\$115,000 (Recurring)
Move the UNM Telephone System from analog to VOIP	\$1,000,000	\$300,000 (Recurring)
Evaluate Efficiency and Cost-effectiveness of UNM's Administrative Infrastructure	TBD	TBD
Evaluate Efficiency and Cost-effectiveness of UNM's Teaching Infrastructure	TBD	TBD
Evaluate Efficiency and Cost-effectiveness of UNM's Staffing Infrastructure	TBD	TBD
TOTAL	Total is TBD	Total is TBD

Recommendation:

Balance Quality & Price on Contract Bidding Processes

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

Over the last five years, UNM has experienced an abundance of Capital Outlay funds from the State, Feds and Institutional Bonds. During this period of abundance, the Capital Projects Review committees have given significantly greater weight to quality (qualifications & value) than they have to the price component.

We recommend to the Office of Capital Projects to evaluate the bidding process to better balance quality and price on all capital projects. This recommendation includes exploring the possibility of a two-step bidding process, which first evaluates qualifications, and then requires all contractors who qualify to bid their best price for the capital project. This will ensure UNM is attracting contractors who have the qualifications to complete the project, yet also encourages competition in order to keep the project costs down.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Not necessarily	Centralized	Office of Capital Projects

Discussion of Implications and/or Cautions:

Care must be taken to ensure that quality is not sacrificed to a “lowest bidder” mentality, resulting in shoddy, unsustainable workmanship that costs even more in the long term.

Recommendation:

Evaluate Moving to a Trimester System

Time Frame:

This is a **Long Term** recommendation, with planning to take place in FY11, pilot(s) to be launched in FY12, and broader implementation to occur in FY13.

Overview:

Several programs on main campus may find academic and cost benefits if they moved to a trimester system. The types of programs are largely in professional colleges and the most likely level of the courses would be at the graduate level. The College of Education is a likely candidate to take advantage of the possibility of having a complete (third) semester for some of its educator preparation programs, since this population is generally available during this time.

The potential benefits of moving to a trimester system might include the following:

- Higher retention and graduation rates.
- Ability of students to move more efficiently through their respective program(s).
- The program becomes a complete, high quality academic experience.
- The cost to educate each student is reduced for the Colleges, as well as for students.

To test these potential benefits, UNM could launch one or more pilot projects. The process for defining, planning, and implementing such projects would be much less complicated given that the College of Nursing moved to a trimester system last year. The lessons learned as a result of that effort are programmatic, structural, and organizational and will help greatly in conceptualizing another program's move to this system. A minimum of one academic year would be needed to appropriately present a complete implementation plan for testing.

This project may not result in major cost savings, but may generate more student credit hours, and improve retention and graduation. This would clearly be an experiment in whether this increase in efficiency provides both programmatic and fiscal benefits to the university. As such, it may end up being a re-investment strategy that has differential pay-offs to the students and university.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Unknown	Provost

Discussion of Implications and/or Cautions:

Summer Funding: The funding for the summer session would have to change into stable, recurring I&G, as well as having tuition incentives for the program to move this direction. The program's overall profitability and meaningfulness to the strategic goals of the university can be merged successfully.

Faculty Status: This may also necessitate the creation of a “graduate faculty” as a subgroup of a larger multi-level faculty in order to function optimally.

Administrative Costs: The creation of another major instructional period will undoubtedly increase the load on all aspects of administration, advisement, and student support within the College.

Transfer Credits: Research will need to be conducted to ensure that transfer students will not be adversely affected by switching to a trimester system.

Recommendation:

Evaluate Move to Incentive- and Activity-based Revenue Generation and Budgeting

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

The University of New Mexico currently utilizes a historic or central budget to fund Colleges, Schools, and other units on the main campus. This approach to budgeting has advantages and disadvantages. We recommended that the Regents, President and Provost, in conjunction with faculty, staff and students, conduct a thorough analysis of the costs and benefits to this type of budget system. In addition, we recommend that an activity-based budget be analyzed. Such a budget is used at other universities (e.g., the University of Michigan) to fund some academic units: http://www.provost.umich.edu/budgeting/ub_model.html. Activity-based budgets link activities (e.g., teaching and research) with costs and revenues, allowing for different types of information to flow to decision-makers. At many universities a hybrid of both historic/central and activity-based is utilized so that units such as museums, libraries, and public safety are appropriately supported. In addition, there are different approaches to activity-based budget systems. Most universities that have implemented such systems link revenues with activities but also collect a “tax” to support centrally budgeted units.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Centralized	Provost Ortega EVP Harris

Discussion of Implications and/or Cautions:

Moving to this type of budgeting system will require significant culture shift across the entire university.

Recommendation:
**Evaluate Reducing Reliance on I&G Funds
for Intercollegiate Athletics**

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

Currently the Athletics Department receives a portion of their budget from the university in the form of I&G funding. These are funds that could be used to support the academic programs of this institution. Athletics have revenue-generating possibilities that make this more possible. The phasing in of this funding shift over a three-year period should allow the Athletics Department time to adjust for the implementation of a self-sustained funding model.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, knowing that \$975,053 is the full amount of I&G support given to Athletics	Potentially up to \$975,053, over time	Yes	Centralized	Paul Krebs David Harris

Discussion of Implications and/or Cautions:

The Intercollegiate Athletics budget is primarily funded from event revenue and conference revenues. However the I&G funds transferred to their budget funds a significant portion of the non-revenue producing sports and a long-term implementation will protect the many student athletes in these sports.

Recommendation:

Consolidations of UNM Email and Calendaring Systems

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM operates 40+ email / calendaring servers (main, branches, HSC/UNMH). This recommendation proposes to reduce/eliminate up to 37 email/calendaring systems.

Possible Benefits follow:

- Improved server management and support to University customers – Added features (e.g., Sharepoint, desktop backup, etc.) and improved uptime.
- Improved security for University confidential data.
- Improved access to directory information, identify management, and other.
- Reduced licensing costs.
- Possible outsourcing options (Microsoft, Google, etc.).

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Ranges between \$854,991 and \$3,419,000	Estimated at 30% of the total: Minimum = \$256,497 Maximum = \$1,025,700	Yes	Centralized and Unit-based	Gil Gonzales

Discussion of Implications and/or Cautions:

- Loss of immediate control of departmental email.
- Potential for service delivery improvements.
- Savings assumptions need to be tested, as they have not been studied in detail.

Recommendation:
Central IT Desktop Image

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

This recommendation proposes to require a common desktop image for University computers, especially those that access the Banner administrative systems. This common desktop image will ensure proper security software protects our production Banner system.

IT proposes a 3 yr adoption model @ 1,000 units per year.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Between \$90,000 and \$180,000	\$115,000	Yes	Centralized and Unit-based	Gil Gonzales

Discussion of Implications and/or Cautions:

- Departments/Units would lose control of these desktop images.
- It is possible that, unless this recommendation is implemented using virtualization, some faculty and staff may need to purchase additional computers, increasing overall cost. More exploration regarding this is required.

Recommendation:

Move the UNM Telephone System from Analog to VOIP (Microsoft)

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM manages over 22,000 ports on 30+ phone systems (varying from carrier class to departmental for Main/HSC/Hospital). The current UNM phone system is based on old technology and requires a large investment in physical equipment and wiring. Moving to new digital & VOIP technology is primarily driven by software. Although the change over is costly and disruptive, the medium and long rang cost savings and productivity increases are favorable.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	\$50,000 to \$75,000 per Branch (savings over locally installed voice) Estimated at 30% or \$300,000	Yes	Centralized, with savings to the units	Gil Gonzales

Discussion of Implications and/or Cautions:

- Changeover would be costly and disruptive.
- Voice services to the University community would be improved.
- Costs for switches and wiring would be reduced.
- The potential exists that moving to such a system could weaken protections for the confidentiality of phone conversations. This needs to be further explored.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of UNM’s Administrative Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

During the past year, we have experienced an economic meltdown that has had many negative implications for the University of New Mexico and our community. Funding from the State has been reduced a number of times. Return on invested assets has diminished. And, while our employee population at UNM has so far been spared, many in New Mexico have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric administrative structure for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core - Our mission, vision, and values – and to work thoughtfully and systemically to determine the most vibrant administrative structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table, from EVP, VP, AVP, and Director positions, to entire divisions.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	President Schmidly Provost Ortega EVP Harris EVP Roth

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that this is about process, and not individual people.
- UNM’s Core Values must serve as the behavioral touchstones for all interactions, deliberations, and decisions.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of UNM’s Teaching Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM has been very fortunate in that no system-wide layoffs (faculty or staff) have had to occur to date as a result of the economic crisis. However, many faculty (tenure and non-tenure) in Universities across the country have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric teaching structure (size of classes, teaching assignments, number of sections, etc) for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core of our teaching and research mission and to work thoughtfully and systemically to determine the most vibrant but efficient and cost effective teaching structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	Provost Deans

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that while focusing on efficiencies and effectiveness that our teaching and research missions as well as our students’ educational needs are not negatively impacted.
- UNM’s Core Values must serve as the metric for all interactions, deliberations, and decisions.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of UNM’s Staffing Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM has been very fortunate in that no system-wide layoffs (faculty or staff) have had to occur to date as a result of the economic crisis. However, many staff in Universities across the country have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric staff structure (assignments [centralized versus decentralized], responsibilities, etc) for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core of our teaching and research mission and to work thoughtfully and systemically to determine the most vibrant but efficient and cost effective staffing structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	President Deans VPs

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that while focusing on efficiencies and effectiveness that our teaching and research missions as well as our students’ educational needs are not negatively impacted.
- UNM’s Core Values must serve as the metric for all interactions, deliberations, and decisions.

Conclusions and Hopes for the Future

As anyone who has ever worked as part of a team understands, it is not easy for 20 individuals to come to agreement, especially when the task is an important one and the time frame is short. With this in mind, the team determined early on to **not** strive for absolute agreement on everything, but to apply the “rule of 80%” – “Is this concept 80% there, and good enough to test? If not, what is the adjustment that could move it to that place?” We believe that these recommendations meet that standard.

As we move into the next phase of work, we understand that the stakes become higher and the tasks become more complex. In fact, nearly all of the team’s mid- and long-term recommendations will require serious exploration and deep understanding of the costs versus the benefits of implementing these ideas. Many would require significant cultural shift and substantive changes to UNM’s business practices. All would require a new level of trust within our own community, and an invitation to everyone to join in the conversation about how we can evolve into a strong, vibrant, and sustainable flagship research university that serves as a model for others to follow.

In closing, we believe that this University we all love is worthy of these efforts, and we stand ready to continue in her service.

Submitted by the members of the President’s Strategic Advisory Team, March 11, 2010.

Members of the President's Strategic Advisory Team

Name	Title	Department
Martha Bedard	Dean	University Libraries
Ann Brooks	Lecturer	Anderson School of Management, Accounting
Pug Burge	Associate Vice President	HSC Administration
Teresa Cordova	Director, Community & Regional Planning	Architecture & Planning
Mike Dougher	Associate Vice President	Office of Research
Stephanie Forrest	Chairperson	Computer Science
LM Garcia y Griego	Director	SW Hispanic Research Institute
Helen Gonzales	Vice President	Human Resources
Dick Howell	Dean	College of Education
Ava Lovell	Vice President	Finance – HSC/UNM
Julia Maccini	Graduate Student	Law School
Kevin Malloy	Professor	Physics/Astronomy
Alfred Mathewson	Professor Acting Director	School of Law Administration Africana Studies Program
Kate Moore	Financial Officer	Provosts Office
Janice Ruggiero	Associate Athletic Director	Intercollegiate Athletics
Beverly Singer	Associate Professor Acting Director	Anthropology Native American Studies
Doug Thomas	Associate Dean	Anderson School of Management
Carolyn Thompson	President's Office – Strategic Planning	Office of the President
Chris Vallejos	Associate Vice President Business Planning & Services	Institutional Support Services
Jake Wellman	Undergraduate Student	Political Science

Definitions

Centralized Savings:

The cost containment idea would result in savings in one (or more) central administrative office(s). For example if we can save cost by not printing blueprints and design documents for our capital project bids, the Office of Capital Projects (OCP) will save around \$315,000. The premise is that because OCP is a Central Administrative Office that was funded to operate on behalf of the entire University, we may be able to reallocate those funds.

Captured Savings:

The cost containment idea would result in savings that are transparent to the paying department. For example if we renegotiate our purchase order/Invoice payment terms from Net 30 to 1%/10, the end user (paying) department would not see the savings but the Accounts Payable Department would "capture" the savings to be available for reallocation.

Unit-based savings:

The cost containment idea would result in savings directly to the paying Unit. The paying Unit would "own" the savings. For example: If a Unit (Department, Dean's Office, etc.) switched from desktop printers to networked copier printing, the Unit would not buy toner cartridges and thus would have cost savings.