

University of New Mexico

***Recommendations for
Process Improvement/
Cost Containment Strategies
For FY13 and Beyond***

Submitted to
President David J. Schmidly

On December 8, 2011

By the
President's Strategic Advisory Team

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Preamble

History, Objectives, Processes, and Principles

History of PSAT's Activities

The President's Strategic Advisory Team (PSAT) was initially established by President David Schmidly in February of 2010. At the time, the University of New Mexico was in the midst of a funding crisis driven by the economic meltdown that had begun in late 2008. UNM had already endured several rescissions and reductions of state funding, and was bracing for the next wave of cuts. PSAT's charge was as follows:

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

- *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 the following project principles and parameters:

- *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.*

During the first phase of its work together, PSAT identified \$5,809,248 of potential short term savings for FY11. Additionally, the Team identified several areas believed to hold promise for future cost savings, revenue generation, and overall improvement of UNM's operational efficiency and effectiveness.

PSAT was again called into service in October 2010 to explore and recommend strategies to address a further permanent reduction in state I & G support for FY12. This second phase of the Team's work produced additional recommendations for cost containment and savings, as well as recommendations for taking a longer term strategic approach to creating sustainable improvements and efficiencies to UNM's processes and operations.

To date, PSAT's recommendations have resulted in \$12.7 million in reductions to the UNM budget.

Fall 2011 Approach

During the summer of 2011, UNM's Office of Budget and Planning took a serious look at learning from and improving the process that led to the creation of the FY12 budget. The objective was to incorporate the most successful efforts of the previous year into a proactive and sustainable process that could engage stakeholders and establish a model to be successfully replicated and further enhanced in future years. The result was that PSAT, in addition to serving in its original role as a strategic advising body to the President, was determined to be an integral component of UNM's annual budget development process.

The 3rd cycle of PSAT's work together began on September 30, 2011. President Schmidly addressed the Team and provided some guidelines for its work. The President encouraged the Team to explore ways to "free up as many resources as possible" to invest in the core mission of the University. He further encouraged the Team to challenge and "push the envelope" as it looked for new opportunities to improve processes, gain efficiencies, contain costs, and focus on the mission. There were no constraints placed on what the Team could look at as it went about its work.

With President Schmidly's words as guide, the Team immediately organized for its work over the fall semester. As this work commenced, the Team became aware that UNM's Regents had expressed interest in greater inclusion in budget discussions, at a point earlier than had occurred in previous years when the first formal engagement took place at the annual Budget Summit in the spring. With this in mind, and in the spirit of PSAT desiring to continuously improve its own processes, the Team invited the Regents to attend individual meetings to learn, first hand, about each Regent's opinions, concerns, and aspirations for the University of New Mexico, *before* the Team began the exploration and due diligence phase of its work that would lead to the recommendations contained in this document.

All Regents agreed to be interviewed, and one-hour meetings with each were scheduled in October. Each Regent was asked a few general questions related to her/his viewpoints on the strategic advantages and challenges faced by UNM, as well as aspirations for UNM's future. Following the completion of all seven interviews, the team members discussed and debriefed what had been learned, and a profound conclusion was drawn – *that no matter how the Regents' opinions and points of reference might differ in some areas, there could be no doubt that every one of the Regents of the University of New Mexico cares deeply about the success of our students.*

It was with that understanding and focus that PSAT conducted the conversations, investigations, due diligence, and deliberations that led to the recommendations contained in this report. We hereby present our work as a sincere effort to further engage and strategically connect the UNM community to its mission, and to the students we are here to serve.

Rationale for Recommendations

PSAT members entered into the fall 2011 cycle of work knowing that the “low hanging fruit” of cost containment opportunities had already been collected in response to the numerous budget rescissions and reductions UNM had experienced over the last few years. And, while budget challenges still exist, including devising strategies to replace approximately \$9 million in non-recurring funds, the state’s financial outlook appears to be stabilizing somewhat, at least for now.

Another important factor – upcoming changes to the State’s funding formula - has also influenced PSAT’s approach. Deliberations by the State’s funding formula task force over the summer and fall have resulted in a strong movement to reward and fund “outcomes” – retention and credential production – rather than the “input” of numbers of students enrolled in classes that has been the foundation of the formula in the past.

Finally, two pieces of data - the first provided by Senior Vice Provost Mike Dougher, and the second provided by Terry Babbitt, AVP for Enrollment Management - captured the attention of PSAT. Dr. Dougher informed the Team that by graduating only 30 additional students each year we would increase UNM’s graduation rate by 1%. Dr. Babbitt provided IPEDS data that showed the 2009 cost of producing a degree at UNM at over \$65,000, with the cost to produce a degree at Arizona State University at less than \$50,000. (Includes total spending on direct educational costs, including instruction, student services, the education share of spending on academic support, instructional support and operations and maintenance.)

The path forward seems apparent: If UNM is to both reduce costs and increase resources in an ever-tightening era of public support, we must turn our full attention on finding ways to more effectively and efficiently support our students through their journey to graduation. Given this awareness, PSAT’s strategy has evolved from addressing urgent and immediate cost cutting requirements to exploring improvements in systems and processes that could create a “wedge of resources” to invest differently and more strategically in the core mission.

Therefore, PSAT has organized its recommendations into two sets of linked initiatives:

- Efficiencies, process improvements, best practices, and investments that will improve the "student journey" to graduation.
- Additional process improvement opportunities that can 1) further contain or reduce costs, 2) improve services, and 3) potentially provide resources to reinvest in mission-critical initiatives.

The recommendations related to improving and reducing the time spent on the “student journey” to graduation serve as the strategic focus of PSAT’s work. The recommendations related to additional process improvement and cost containment opportunities are intended to enable UNM to identify resources that could be saved in some areas for reinvestment (in the case of actual dollars saved) or redeployment (in the case of human resources) for other, more strategic purposes, including those that support student success.

Improving the “Student Journey” to Graduation

Rationale:

PSAT selected improving the pathway to graduation as the primary focus for exploration and recommendations for this report, for multiple reasons:

- While showing some small improvements recently, UNM’s six-year graduation rate is only 46.1%, despite the numerous efforts, initiatives, and resources that have been invested to make positive change.
- Even when improvements in retention and graduation rates have been made, it is uncertain which investments have actually *influenced* the improvement.
- Investigation reveals that student success initiatives are scattered all over the University, yet there is no comprehensive **system** that connects, measures, and evaluates the effect of, and improves these initiatives. Moving toward such a system will enable UNM to determine over time the most effective use of resources for the greatest return on investment to support our students.
- The State’s formula for funding higher education is quickly moving to an outcomes model that will reward institutions for retaining and graduating students rather than simply enrolling them. Given this direction, improving student outcomes is one of the few ways that UNM can increase its financial ability to invest in its core missions.
- The LFC Audit Report dated August 11, 2010 assessed the governance, spending, and student outcomes of both UNM and NMSU. The Report indicated that New Mexico needs improvement in both graduation rates and in managing the cost of higher education.
- Quite simply, focusing efforts on the success of our students is the right thing to do, for the students as individuals, as well as for the well-being of the economy of our communities, state, and country.

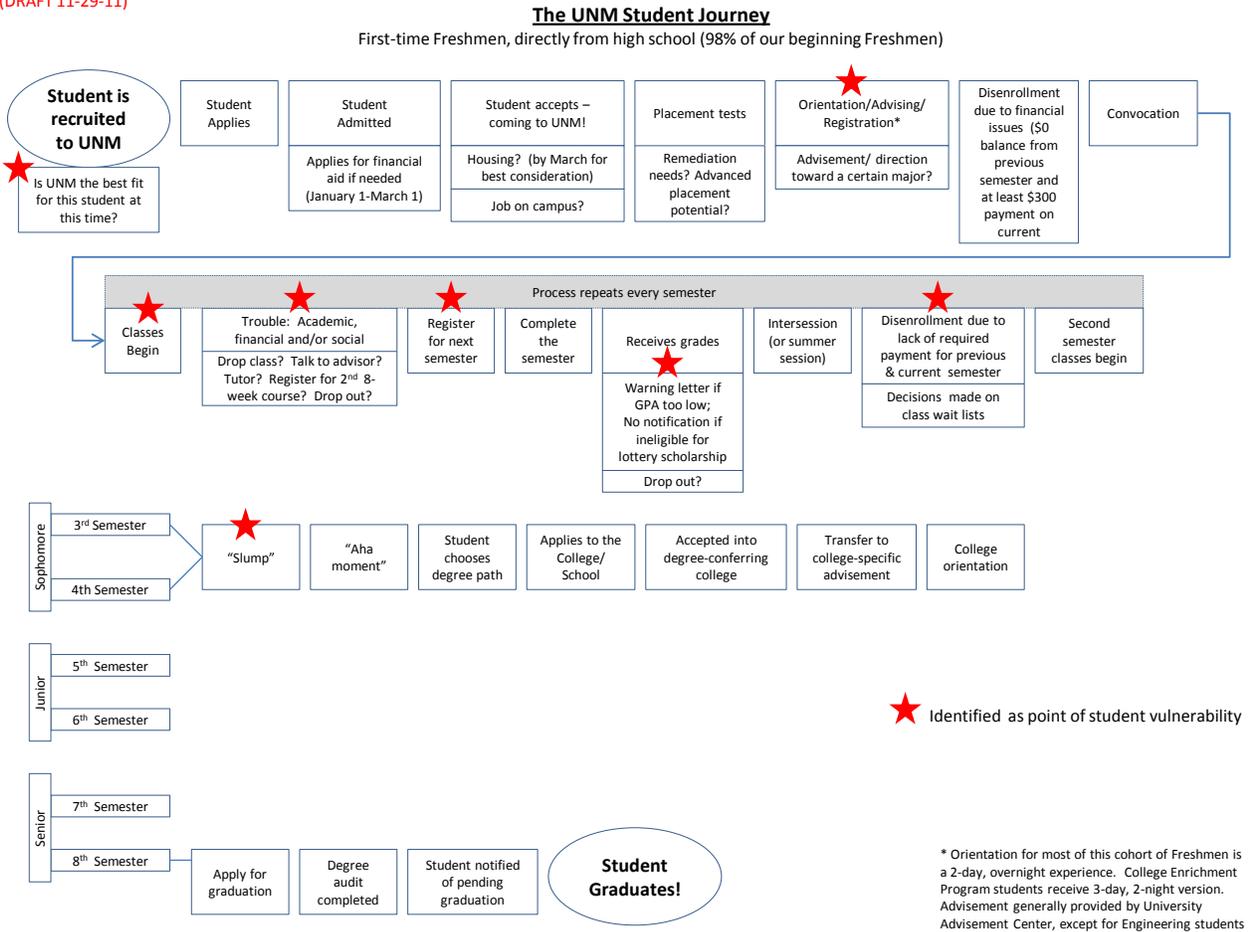
Mapping and Discovery Process:

PSAT’s discovery process to date has involved several elements. The first step was to map the student’s pathway to graduation in an attempt to understand a) what that pathway actually entails and b) where the points of greatest vulnerability exist along that pathway. Since students recently graduated from high school represent 98% of our incoming freshman class each year, the Team focused on this group.

The second step was to identify key individuals in the University who hold significant subject matter expertise, accountability, and/or oversight for the many student success initiatives and activities that take place. Several individuals helped educate PSAT members on their respective initiatives, provide data, and/or help to validate the assumptions in the student journey map (see complete list of subject matter experts consulted on page 21.)

The following map depicting a student’s “journey” from recruitment to graduation resulted from these efforts, with the red stars indicating places where students are the most vulnerable to encountering either barriers, potholes, or other delays along the pathway to graduation.

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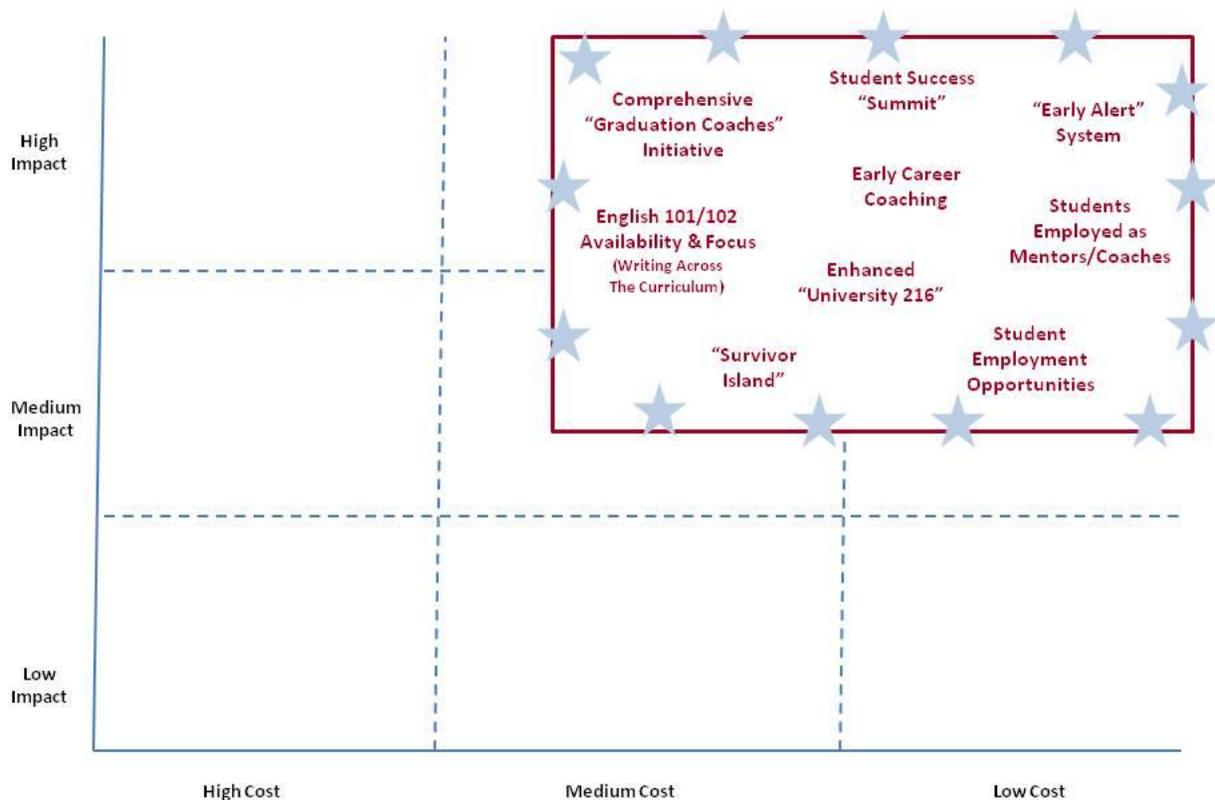
Recommendations: A Constellation of Initiatives to Improve the “Student Journey”

The next step was to pose a question:

If UNM were to identify a constellation of interconnected, high-impact, low- to medium-cost initiatives that could be developed, tested, and measured over time, what combination of interventions would most effectively guide students along the pathway to graduation?

With the help of some of our subject matter experts, a matrix emerged with nine strategies composing the constellation.

Improving the Pathway to Graduation
A “Constellation” of High Impact Strategies to Develop and Test



It is important to state that PSAT’s intention is not to “reinvent the wheel,” but rather to enhance, connect, and amplify much of the good – albeit often disconnected - work that is already going on to support student success. By recommending these strategies, PSAT supports the idea that accountability for student success must become the responsibility of the entire UNM community, and that everyone from the groundskeeper to the President can play a significant role in helping our students to complete their journey to graduation. And, that developing a true **system** of highly coordinated, easily navigable services must be a goal.

What follows is a brief description of the recommended strategies.

1. Comprehensive “Graduation Coaches” Initiative

As indicated on the “student journey” map, there are several times and situations along the path to graduation where students may be vulnerable to situations that challenge their ability to be successful. PSAT, in consultation with Staff Council Leadership and with UNM’s Director of Academic Success, proposes that the “Graduation Coaches” initiative would harness the know-how and power of the faculty and staff community - and perhaps even alumni, retirees, and student leaders - to help students prepare for and navigate those situations.

As a pilot project and for study purposes, the proposal is to select 100 faculty and staff volunteers who would be willing to serve as Graduation Coaches to three incoming freshmen each. These volunteers would receive training and ongoing support from subject matter experts in various student support areas (enrollment, advising, financial aid, Bursar's office, student health, etc.). Each coach would be assigned three students who will be enrolling for the fall 2012 semester. Students should be randomly selected by a team that designs the study.

Coaches would contact their students prior to orientation, meet the students and their parents at orientation, and remain in weekly contact with the students throughout their UNM journey. Staff volunteers would be provided with two hours of release time per week from their regular UNM duties to devote to communicating with and attending to the needs of their three students, in addition to ongoing training, TBD. Faculty could perhaps receive special recognition and/or credit for service performed over and above their regular teaching and research responsibilities. The initial group of students would be treated as a cohort for the purposes of research and learning about the elements of the initiative that are the most effective, as well as those that are not producing the intended results.

To further support this initiative, PSAT recommends revisiting the roles and responsibilities of all current UNM advisors (University College, Ethnic Centers, Athletics, etc.) to determine if these individuals are being deployed to the greatest advantage of our students.

UNM Athletics already has an effective model in place for providing academic coaching and support for student athletes. Some of the specific duties linked to student success carried out by advisors in athletics as they work with students include the following:

1. **Mentoring/ Coaching-** *Advisors and mentors meet weekly or bi-weekly with students to track academic progress and offer support/coaching in areas such as time management, organization, and study skills.*
2. **Academic Monitoring-** *Advisors closely monitor the progress of student-athletes in their courses throughout the semester using a web-based early alert system (Advisortrax). Advisors are able to use feedback provided by instructors to allow for effective corrective action. Actions at this point may involve referral to tutoring, improving study strategies, meeting with a professor, or possibly making a schedule change.*
3. **Academic Advisement-** *Advisors work with students to ensure that they are on track towards graduation and making necessary adjustments when they are not.*
4. **University 101-** *All scholarship student-athletes are required to complete a freshmen year experience course which is specifically designed to assist students in making a successful transition from high school to college. The course offers freshmen an orientation to the University community while also connecting them with valuable campus resources.*
5. **Referrals-** *Based on the unique relationships developed between advisors and students, advisors are in a critical position to refer students to appropriate student services based on their individual circumstances, i.e. learning specialist, clinical psychologist, tutoring services, and other internal or campus service providers.*
6. **Career Mentoring-** *Advisors work closely to provide career support to student-athletes in terms of career related workshops, career mentoring (LOBO Committee) and referrals to the UNM Career Center. The Center offers a career specialist that is also an advisor who is available to all student-athletes.*

It is important to note that Athletics does have a significant advantage over Main Campus, with a 125:1 student-to-advisor ratio, while the University College ratio is 700:1. PSAT notes that UNM should take a serious look at investing to move closer to the 350:1 ratio that, according to Associate Vice Provost Heileman, is more common in other institutions. However, PSAT recommends that some of the elements of the athletics model could be incorporated into Main Campus initiatives, utilizing a combination of volunteer “Graduation Coaches” and employed academic advisors.

The specific details and attributes of the program, content of the training, criteria for selecting Graduation Coaches, and metrics to evaluate success of the initiative would be designed in early 2012. The program would be unveiled as part of the “Student Success Summit,” which is PSAT’s second recommendation. PSAT further proposes that a study be published on this initiative that will share findings and successful strategies with other institutions.

2. Student Success “Summit”

The Student Success Summit – another recommendation developed in consultation with Staff Council Leadership – is intended to bring the entire campus community to the table for a full day devoted to discussion, learning, strategies, and volunteer opportunities to engage everyone to support students as they travel their pathways to graduation. The specific activities of the Summit would be developed in early 2012, and the Summit would be held in March. It is at the Summit that the “Graduation Coaches” initiative would be unveiled. Additionally, a menu of volunteer opportunities would be presented for the coming year, providing everyone on campus a way to engage in supporting the success of our students.

3. “Early Alert” System

Students often begin to encounter academic or social difficulties very early in the semester, but they are not always aware or confident enough to read these signs, or know what to do to get back on track. PSAT recommends the development and deployment of an early warning system to help identify potential difficulties and to ensure that students become connected with services appropriate to address their specific situations.

The current UNM banner system, along with Advisortrac SAGE (an early warning system) can be utilized for these purposes, including assisting first generation college students and those requiring one or more developmental courses. Currently, Athletics is using this tool in Advisortrac. Biology is beginning to pilot this function as a referral system. Additionally, the University Advisement Center uses it as a referral system for students that are on probation.

4. English 101/102 Availability and Focus

During the due diligence phase of work, PSAT learned that the 70 sections of English 101 that are offered each fall are not enough to provide space for all freshmen who qualify to take this required course. Students who do not complete English 101 and 102 are at a significant disadvantage on the path to on-time graduation since these requirements must be met before they can be accepted into a school or college as a major. This is especially important, since the sooner a student is accepted into a degree-granting program, the greater the odds that the student will actually graduate.

PSAT recommends redoubling efforts to ensure that enough sections of these and other required core courses are offered. That could mean recruiting qualified instructors from area high schools to teach one or more sections, or tapping into the retired university and public school employee population. In the case of English 102, this could mean investing in developing discipline-specific writing courses – i.e. “Writing Across the Curriculum” – so that this requirement can be met via subject areas that match students’ academic interests.

5. “Survivor Islands”

There are two opportunities in any given semester when a student who is in danger of academic probation or of losing eligibility for the lottery scholarship can “survive the semester.” The first is mid-semester, when students can elect to enroll for an eight-week class during the second half of the semester, and the second is during the intersession that occurs following the semester. Combined with an “early alert” trigger that identifies a student is having academic difficulties, a system that better informs students that these two “survivor islands” exist could significantly improve student retention through preservation of their grade point averages and financial aid.

6. Student Employment Opportunities

Students who are employed on campus seem to be significantly more engaged with and connected to the campus community than are students who are not. Through regular interaction with faculty and staff, students establish trusting relationships that can help them navigate challenges they may encounter. Students who may not otherwise have the connections or confidence to ask for help can develop a “go-to” network of informal coaches and mentors through their campus work communities. For these reasons, PSAT recommends exploring ways to expand employment opportunities for students on campus, and to further study the effect that student employment has on student persistence.

7. Students Employed as Mentors/Coaches

One way to meaningfully expand student employment on campus would be to employ students as peer mentors and coaches for other students. Such a program would require resources and attentive oversight to develop training and expectations, interview and select the peer mentors/coaches, provide them with ongoing support, and measure the impact on student retention and graduation. Employed peer mentors/coaches could become an important part of a team approach to the “Graduation Coaches” initiative.

8. Early Career Coaching

Many students entering college have only a vague idea of what they might want to study. Even those who enter with defined areas of interest often do not have any idea about how those interests might - or might not - lead to a career, let alone the kind of credentials required in order to get a job in their chosen field. For example, a student interested in the field of psychology may not understand that becoming employed as a psychologist will require an advanced degree. Students may not understand or have the aptitude for the rigor required for certain degree pathways in which they might initially have some interest. Also, given the economic and employment outlook for the foreseeable future, students most likely do not understand the market demand for certain types of jobs. Lacking guidance, these factors combined can lead to a kind of “wandering in the wilderness” approach to a student’s search for meaning and direction, as well as partially explain why those UNM students who do graduate, do so with an average of 168 credits attempted and 151 credits completed.

PSAT therefore recommends that a comprehensive initiative be developed to provide career counseling, beginning when students arrive on campus for orientation, and then throughout every semester of the student’s career. Serious thought should be given to how the time between when a freshman comes to campus for orientation and the classes actually begin might be utilized to bring students back onto campus – either in person or virtually -for the purpose of career exploration and coaching.

Early and ongoing support to help students explore the possibilities for academic study and understand how their academic interests, aptitudes, and career aspirations intersect is yet another essential service to help students successfully navigate the pathway to graduation.

9. Enhanced “University 216” – Sophomore Seminar

In support of efforts to provide early career coaching PSAT recommends the enhancement and redesign of an already-existing course – UNIV 216 Career Awareness Seminars – to provide early-intervention career exploration and coaching to students. The current course description in UNM’s on-line course catalog reads as follows:

Career Awareness Seminars

UNIV 216 (1-3 to a maximum of 6)

Both general and discipline-specific sections offered. Students will explore their goals, passions, and skills, and the steps and tools related to career decision-making (general seminar). In the discipline-specific sections, students will explore specific career options.

This course is often referred to as the “Sophomore Seminar.” However, waiting until the sophomore year or later to explore career options may add to the tendency of students to delay selection of an academic pathway that would successfully connect them to a school or college earlier in their university careers. Additionally, students may realize that they have not been enrolling in courses that are prerequisites for their chosen areas of study, thereby further delaying acceptance into a school or college and, ultimately, their graduation.

PSAT recommends that University 216 could be revamped to become an important for-credit gateway course for incoming freshmen – with content that is complementary to the *University 101 Seminar: Introduction to UNM and Higher Education* - to further enhance their understanding and selection of academic and career pathways.

Next Steps and Further Due Diligence

PSAT recommends further exploration of the assumptions contained in the UNM Student Journey map. One specific activity would be to work with the Dean of Students and student leadership groups on campus to organize and conduct focus groups with students to better understand their actual experiences and needs.

PSAT understands that creating a true “system” of highly coordinated, easily navigable services that support the student pathway to graduation is not a trivial task. However, there are many initiatives that already exist that could and should be brought together if this is to become a reality. And, in doing so, we may discover that developing a more coordinated approach could result in greater efficiencies and reduction of redundant or competing efforts that might exist currently, thereby freeing up resources for redeployment in more strategic and targeted ways. Furthermore, attention must be given to whether the organizational structures that support the various student service activities today are indeed the most effective organization to support and execute the systemic vision for the future.

Additional Process Improvement/Cost Saving Opportunities

PSAT's second area of focus is on exploration of additional process improvement opportunities that can potentially 1) further contain or reduce costs, 2) improve services, and/or 3) potentially provide resources to reinvest in mission-critical initiatives. It is important to note that the discussion that follows **does not** contain specific recommendations, but rather identifies six areas that PSAT considers worthy of further exploration and due diligence.

1. Service Centers

Developing a service center approach to providing financial, human resource, and IT support to units on college and university campuses is occurring at institutions around the country, as reported by members of the "Spend Compass" collaborative, of which UNM is a member. UNM already has an early experiment underway in the College of Arts and Sciences. Here is how the A&S initiative is described:

The A&S service center was initially developed as a pilot program to 1) respond to budget cuts that were mandated on the college requiring improved efficiencies, and 2) improve the overall effectiveness of the college and reduce administrative inefficiencies. During the development of the model, it was clear that consolidating efforts in areas of IT, HR, Finance, Purchasing, and Reimbursements could potentially reduce costs in the departments by reducing duplicated responsibilities. Because of the already daunting fiscal stresses on the college, the effort must be cost neutral or create an overall reduction in costs throughout the college.

A consolidation of departments was put into place early in FY12 where Women's Studies, Religious Studies, and American Studies were placed under the oversight of a single Department Administrator, with support from the Arts and Sciences service center. While these departments are relatively small, the process is currently working well. There would be a few additional opportunities to consolidate in the college, mostly a result of the compatibility of combinations. Foreign Languages and Spanish and Portuguese would be compatible, Geography and Earth and Planetary Sciences, possibly.

Monitoring the effectiveness of the service center is continuous, and feedback goes to the Dean. There is so much need in the departments that it is very easy to be effective, and better practices can be implemented by stepping in and guiding certain processes.

It is important to note that the actual savings have already been realized for the current initiative in Arts and Sciences. However, additional savings may be possible as this model is further developed. Additionally, the A&S model may not be applicable to all colleges and schools. However, PSAT believes that this is a valuable effort that should be studied, adapted, scaled, and applied to other academic and non-academic units around campus.

2. Cost of Storage for University Property such as Furniture and Equipment

Following a building renovation or shifting of personnel to different office space, items such as furniture and equipment that are either being replaced or do not fit into the new spaces are often stored. Sometimes storage is accomplished using on-campus facilities, but other times space off campus is leased for this purpose. PSAT recommends exploring the cost of this practice, and whether the items that are stored are actually redeployed for other purposes, or simply aged into surplus property that could be made available for resale to students, faculty, and staff.

3. Payout for Unused Sick Leave

UNM should consider exploring strategies and policies that could mitigate expenses related to UNM's current policy to pay employees for unused sick leave in excess of 600 hours. PSAT has noted that the practice of providing large amounts of extra compensation for unused leave has come under scrutiny at other public agencies. Addressing this proactively might be a prudent action.

UNM business policy 12.1.1 states:

“All minor bank hours over 600 hours for full-time employees, 450 hours for employees with a FTE between 0.75 and full-time, and 300 hours for employees with a FTE between 0.5 and 0.75 may be converted to cash, up to 120 hours per fiscal year. These excess sick leave hours are converted to cash at a rate equal to 50 percent (50%) of the employee's hourly wage, multiplied by the number of hours converted. Application for such payment must be made to the University Payroll Department in December.”

UNM budgets and spends nearly \$1.2 million a year to pay current full-time employees (pro-rated for part-time employees) for unused sick leave in excess of 600 hours. It is important to note that the pay-out is based upon an employee's current rate of pay, rather than the wage the employee was earning at the actual time the sick leave may have been accrued. For example, an employee earning \$30,000 annually several years ago and earning \$60,000 today would be able to cash out unused sick leave at twice the amount at which it was originally accrued.

One solution worthy of exploration might be to cap the dollar amount of the cash out. Such an approach would serve to protect lower wage earners – perhaps those earning up to \$50,000 or \$60,000 – while reducing the amount that higher earners receive per hour.

The actual amount of savings that changing the policy to include a pay-out cap is undetermined. Adopting such a policy change may require negotiations with several unions. Additionally, the effect on employee morale would need to be explored and considered, especially if there continues to be no pay increases over the coming budget cycle.

4. Office of Equity & Inclusion

As UNM potentially looks toward focusing efforts on developing a comprehensive system of student success support structures and strategies, efforts to understand, promote, and support diversity, equity, and inclusion must be intensified. Questions have arisen in previous PSAT recommendations relating to the Office of Equity and Inclusion, and whether the model that has been in place is, indeed, the most effective one. In the context of improving the student pathway to graduation, PSAT believes that asking this question again is warranted. The ongoing challenge is to determine how UNM can best position itself to understand and act on – as one Regent phrased it - the “blinding opportunity of diversity” that UNM’s uniqueness presents.

PSAT recommends exploring the most effective model for the Office of Equity and Inclusion to support students, faculty, and staff, as we move forward.

5. Core IT Services

Early in 2011, an IT cost containment initiative was carried out to identify \$2 million in IT cost reductions in order to balance the FY12 budget. While this initiative met the goal, a more fundamental question was not answered: What should be available and provided as “core IT services” to all units at the University, versus the “extra” services that may be provided on a “fee for service” basis, should a particular unit desire those services? PSAT believes that answering that question could lead to further IT cost savings, as well as clarity around the role of Central IT services.

6. “Outsourced” vs. “In-house” Models for Some University Services

Institutions employ different practices regarding decisions to outsource various services. Such decisions are not to be made lightly. Decisions to outsource must only follow careful exploration of effects on quality and timeliness of those services, balanced against any *actual* cost savings that might be realized. With that in mind, PSAT recommends that there are three services provided internally at UNM that could potentially be explored for appropriateness of either an outsourced or hybrid model, including Counseling and Referral Services (CARS), shipping services for UNM Press, and some of the Employee and Organizational Development (EOD) functions that are currently provided through the Division of Human Resources.

Further Considerations

PSAT, in its recommendation document submitted to President Schmidly in December of 2010, identified five “Emerging Ideas and Important Considerations for the Future” that were intended to inspire ongoing conversation and future strategic thinking, especially once we were able to see our way beyond the serious economic challenges we were facing at the time. Revisiting those ideas a year later is important, especially given that PSAT’s current recommendations address some of the issues raised, but there is still much work to be done.

December 2010 Consideration #1:

Many services UNM provides to students suffer from a lack of coordination, resulting in both fragmentation and redundancy. This appears to be especially true in activities related to advising and mentoring. A high-profile strategic initiative aimed at truly understanding what our students need and how we might organize ourselves as an effective system to provide it could both improve student success and eliminate the costs of replication, duplication, and inefficiency.

December 2011 Follow-up Comment:

Developing a UNM-wide, comprehensive strategy to improve the student journey to graduation is an important step in improving coordination of key services, as well as reducing inefficiency and redundancy.

December 2010 Consideration #2:

A pattern seems to exist of creating new programs, services, and even divisions, rather than working to address and solve inefficiencies or issues of performance or service where they first emerge. Then, we tend to leave in place – and continue to fund – many of the artifacts of the old, even as we invest in the new. However, this pattern of behavior seems to be the result of well-meaning efforts to make improvements when finances were less constrained, making the avoidance of the difficult conversations about performance improvement easier.

December 2011 Follow-up Comment:

As new initiatives and strategies are developed and executed, continuous assessment of what the University should discontinue must occur. In most cases, having the resources to adequately support and fund new initiatives can only result from freeing up resources from other, less productive activities.

December 2010 Consideration #3:

Comfortable financial times seem to have made it easier for departments and divisions to “grow their own” service units, and this is particularly evident with regards to marketing, communications, and IT. Positions and budgets in these areas seem to have proliferated over the past several years, further contributing to fragmentation, redundancy, uncoordinated communication, budget inflation, and lack of adherence to University standards. There appears to be significant savings, efficiencies, and improvements still to be discovered by exploring a new service model for some of these areas.

December 2011 Follow-up Comment:

It is important to understand that units may have “grown their own” capabilities and services at a time when these services were either unavailable centrally or did not meet certain needs from a quality perspective. Undoubtedly, best practices and specialized requirements exist in units that need to be explored and understood and should not be disregarded in the quest to create greater efficiencies. As the service center model develops, exploring how this could expand to include marketing, communications, and IT functions could create opportunities to realize efficiencies and actually improve products and services.

December 2010 Consideration #4:

We do not know what it costs to educate a student at the University of New Mexico. While we recognize that this is very complex and difficult to determine, we seem to have used this as an excuse not to try. If we hope to “sell” future tuition and fee increases to students as a way to address reductions in public funding, and ultimately to invest for the future, we must make a concerted effort to get our arms around this question. Students and the public deserve to know what they receive for their investment, and those managing complex budgets deserve to have this information to inform their decision making.

December 2011 Follow-up Comment:

PSAT is hopeful that the Tuition and Fees Committee will be able to make headway with better understanding the true cost of educating our students. Doing so is perhaps more important than ever, given the pending changes in the State funding formula, as well as the costs of higher education coming under greater public scrutiny.

December 2010 Consideration #5:

Incentives have not been consistently aligned with goals, often making it difficult to convince ourselves and others to “do the right thing.” Through interviews and the due diligence process, the Team discovered that while many – if not most – of our colleagues have done the difficult work of finding ways to become more efficient, streamline programs, build collaborations, and reduce spending, some have not. In some cases, the stalling strategy seems to have worked, as there appear to be no real consequences for some who elect to maintain the status quo. If we are serious about performance based budgeting, this must change, so that the behaviors and desired outcomes we say we value are those that are actually rewarded.

December 2011 Follow-up Comment:

The future success of all institutions of higher education - and especially those that are publically-funded - will to a great extent depend on shifting to a culture where rewards are aligned with behaviors and outcomes. The institution’s leadership must set the goals and expectations, and then consistently follow through and reinforce behaviors that demonstrate alignment and results.

Concluding Thoughts

These recommendations mark the third major cycle of deployment of the President's Strategic Advisory Team. The Team that was first appointed by President Schmidly in February 2010 has remained largely intact, with very few changes in membership. The opportunity to serve the University of New Mexico in this capacity has continued to be a challenge, an honor, and a learning experience for everyone. This has helped us to recognize and reinforce the tremendous capacity our community has to raise sensitive topics, engage in difficult conversations, and "touch fire together" for the sake of discovering solutions that are often more creative than any one person could have envisioned or devised. Perhaps most of all, it is a privilege to be entrusted with the important work of identifying, investigating, and recommending strategies both to stabilize the University financially and to continuously improve our ability to serve UNM's core missions into the future.

- Members of the President's Strategic Advisory Team
December 8, 2011

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	Professor Director, Community & Regional Planning	Architecture & Planning
Stephanie Forrest	Professor	Computer Science
Helen Gonzales	Vice President	Human Resources
Kate Henz	Associate Director for Finance and Administration	Provosts Office
Dick Howell	Dean	College of Education
Sunny Liu	Undergraduate Student	Accounting major
Ava Lovell	Vice President	Finance – HSC/UNM
Julia Maccini	Graduate Student	Law School
Kevin Malloy (On leave from active participation for fall 2011)	Professor	Physics/Astronomy
Alfred Mathewson	Professor Acting Director	School of Law Administration Africana Studies Program
Janice Ruggiero	Associate Athletic Director	Intercollegiate Athletics
Carol Stephens	University Policy and Administrative Planning Director	UNM Policy Office
Doug Thomas	Associate Dean	Anderson School of Management
Carolyn Thompson	President's Office – Strategic Planning (PSAT Team Leader)	Office of the President
Chris Vallejos	Associate Vice President	Institutional Support Services

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Stephanie Hands – Director of Academic Advisement, Arts & Sciences Advisement Center

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