



## State University System Efficiencies

Universities were requested to provide examples of the efficiencies they have undertaken or are in the process of initiating. The following one-page summaries highlight each individual universities accomplishment.

The Delta Cost Project report<sup>1</sup> on Trends in College Spending looks at college and university spending from 1998-2008 and focuses on three areas:

- Where does the money come from?
- Where does it go?
- What does it buy?

We are all familiar with ‘Where does the money come from?’ Student tuition, state appropriations, private gifts, auxiliary enterprises, and federal and state contracts and grants make up the primary revenue sources. As expected, cuts in state appropriations have led to significant tuition increases.

The expenditure of these funds are categorized in standard expense categories; instruction, research, student services, public service, academic support, institutional support, and operations and maintenance. In summary, the report reflects an increase in education and related costs, increases in research spending, and no significant increase in public service spending.

Educational opportunities, degree production and research are the primary expenditure of the funds, with degree and completion ratios as the main performance measure used to gauge educational out-put.

The following chart is a summary of the educational spending per full-time equivalent (FTE) student for each state. Florida is one of the most efficient users of its available resources as Florida ranks 46<sup>th</sup> in average spending per FTE student, with students contributing 39% and the state 61%.

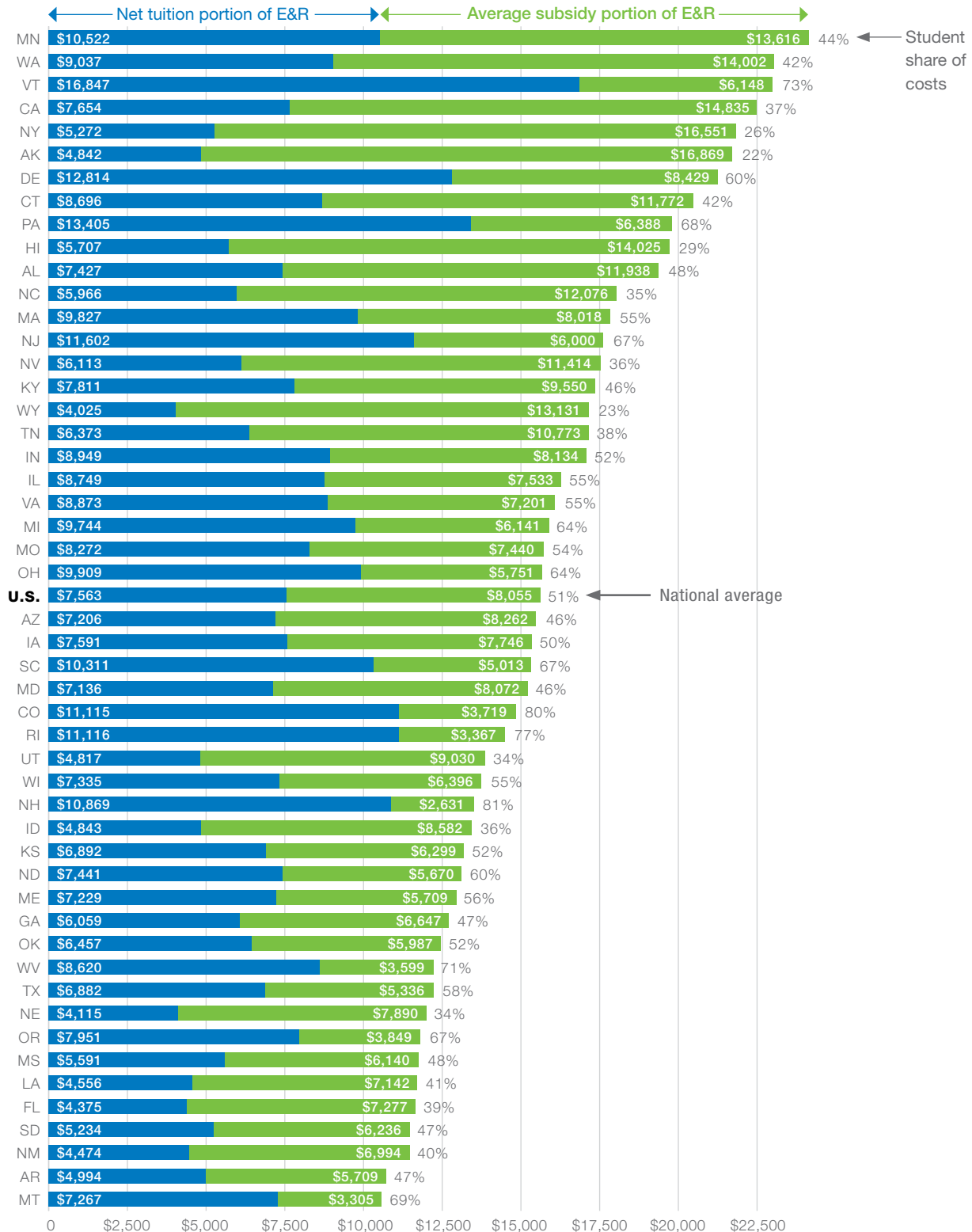
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<sup>1</sup> The complete report can be found at: <http://www.deltacostproject.org>

**Figure 13**

**A snapshot of state subsidy patterns for education and related expenses—public research sector**

Average E&R spending, net tuition, and subsidy per FTE student at public research institutions by state, AY2008



Source: Delta Cost Project IPEDS state database, 2003–2008.



## Florida A&M University Efficiencies

- Suspend Low Productivity Programs
  - During the past year the Division of Academic Affairs has conducted an intensive productivity study of all academic degree programs at the university. As part of this activity, including discussions with deans and input from faculty, the Provost will recommend suspending a number of low productivity programs. This will enable the university to redistribute some limited resources, while maintaining productive programs.
- Initiate Distance Learning Partnership
  - The University is entering into a collaborative partnership with a foundation to initiate, market and implement distance learning degree programs that will enable the university to reach more students in a cost effective manner.
- Examine Institutes and Centers
  - The University reviewed all the Institutes and Centers to determine if state funds are being utilized in the most effective manner to meet the mission of the institution. This evaluation will allocate state funds in relation to productivity.
- The FAMU Leadership Team has endorsed an improvement effort that is currently underway in the Division of Administrative and Financial Services (DAFS). The Transformation through Technology Enhancements (T3E) project will leverage fully the capabilities of our PeopleSoft system so that we can dramatically improve our core business processes. Successful completion of this project will result in significant improvements in major systems like hiring, accounts payable, purchasing, cash management, travel, and asset management. These improvements will benefit every unit of the University. As a result of this project, we expect:
  - Faster processing of travel reimbursement requests
  - More efficient and timely purchasing process
  - More efficient and timely payment of bills
  - Better control and management of assets
  - Better streamlined recruitment and hiring of employees
  - Greatly simplified financial statement development
  - Efficient and effective overall financial management and reporting processes
- The Siemens contract completed its first year in May 2010. At this time, Siemens has completed 100% of the lighting retrofit (lights and lighting accessories replacements), 100% of the pipe insulation, and 40% of the steam traps' replacements (completion expected by the end of September). Siemens was expected to complete 100% of the three (3) tasks in the first year. Siemens submitted a report last week indicating that the project, in the first year, had saved \$223,106 versus the \$80,580 projected savings in the first year.



## Florida Atlantic University Efficiencies

### Efficiencies Achieved

- Revamped business processes including vendor payments with a consequent savings in personnel costs while raising service levels.
- Eliminated academic and university support positions to preserve faculty instructional time and effort; concentrated faculty activity on instruction and away from administrative assignments.
- Reduced energy consumption and food waste following an extensive energy audit.
- Maximizing class enrollments and instructor and room utilization. All colleges are engaged in this university-wide enrollment management effort.
- Course demand is closely monitored and new sections are opened to meet demand only when existing sections are approaching capacity.
- Academic services have been reviewed and consolidated on partner campus to provide efficient services and meet student needs while expending fewer resources.

### Efforts Underway

- Increasing number of students served in large lectures to further conserve on instructional assignments and maximize faculty productivity.
- Adjustments to staff assignments to create off-peak personnel savings.
- Studying ways to make partner campuses more efficient.
- On-going campus energy conservation and sustainability measures including minimum LEED Silver certification on all major construction.

### Efforts Planned

- Increasing reliance on lower cost instructional personnel to teach lower division students.
- Maximizing research productivity of senior faculty with consequent increases in sponsored research awards and expenditures.
- Reallocating faculty resources to areas of greatest need, demand, and payoff.



## Florida Gulf Coast University Efficiencies

In response to the need to preserve resources, both natural and financial, Florida Gulf Coast University has enacted a number of programs that serve to reduce costs and work towards environmental improvements.

The University recently retrofitted Parking Garage I with LED lighting, replacing inefficient lighting originally installed. This retrofit is estimated to save \$34,000 in annual energy costs. Given the success and ease of this program, it will be rolled out to additional garages in the near future. In housing, incandescent lights have been replaced with compact fluorescent bulbs, yielding additional energy savings. Additionally, classrooms and common areas will have motion sensors installed, thus reducing the use of lighting and electricity. In conjunction with this effort, the University has raised temperature set points and adjusted facility usage to lower electrical costs. The combination of these initiatives project to save in excess of \$130,000 annually

The implementation of the solar field at Florida Gulf Coast University is expected to reduce reliance on supplied electric power by nearly 18%. The reductions in energy purchased not only reduce costs, but provide a hedge against future price increases in electricity. Supplementing the photovoltaic initiative is the retrofitting of the university residence halls with solar thermal; thereby, saving thousands of dollars as hot water is now heated by the sun. Similarly, the university/county swimming pool takes advantage of ground water temperature differences to heat the pool water in the winter and cool the pool water in the summer. Finally, university housing is replacing air conditioner units with more efficient, environmentally friendly compressors.

There are numerous other energy savings initiatives across campus. For example FGCU operates one of the largest ice thermal storage plants in Florida. This plant makes ice at night at cheaper electricity costs and then uses the ice during the peak daytime hours to make chilled water for the buildings. There are also the solar powered trash compactors throughout campus that reduce the need to empty the bins, thus saving in custodial costs. Printers, appliances and computer monitors are all required to be purchased with energy star ratings. Buildings are all constructed to LEED standards with most recent construction pushing platinum certification.

These initiatives, in combination with awareness programs for our students, faculty and staff, provide not only for lower energy consumption but the ability to put financial resources where they add the greatest value.



## Florida International University Efficiencies

Energy Conservation: FIU has implemented various initiatives to help reduce the consumption of energy through the different campuses. Some of these projects are: Motion sensing switches, Energy management controls, Chill-water temperature monitoring, Use of water-efficient urinals, Replace lift-station meters (sewage system), Standardize the use of energy saving lights, Replace metal halide bulbs in Parking Garage 5 with fluorescent bulbs, and the MMC residence halls have upgraded network systems for air-conditioning to be better able to respond to energy concerns. Additionally, the University has closed on Fridays for 6 weeks during the summer over the last two years.

Natural Gas Conversion: Converted from current LPG fuel system to natural gas that has a lower average cost in the market. This includes MMC residence halls.

Owner Direct Purchase: Negotiate prices on purchasing items in construction projects to reduce the cost of the items through tax savings and bypassing the contractors.

Renegotiating of Construction and Maintenance Contracts: Renegotiated Minor Construction contracts with lower overhead percentages as well as lower profit; used State University System's risk insurance contract negotiated by FAU at a reduced cost; renegotiated lower rates in Landscaping and Uniforms Contracts

Vehicle Reduction: Reduced the number of vehicles by 35%

Voice Communications Reduction: FIU reduced 103 lines (telephone landlines, fax lines, and modem lines) by consolidating and sharing resources.

Fire alarm Notification System: Elimination of 133 analog phone lines by replacing them with IP based network lines.

Restructure Duplicating Center: Operation of facilities and services were contracted with Toshiba as a part of the RFP for coping services.

Online Catalog: Reduction of printed materials.

Reorganization of Purchasing Services: The separation of Contracts Management/Competitive Solicitations and General Purchasing Units has resulted in efficiencies in contracts management, streamlined the competitive solicitation process, and spend pool analysis.

Recycling: The students have adopted a national program for re-cycling. They have put together a movie festival highlighting the go-green initiative and have added bins throughout our campuses.



## Florida State University Efficiencies

Significant changes in the level of available resources, from mid-year 2007-08 to beginning of year 2010-11, have resulted in externally forced efficiencies. On a per student basis, cumulative reductions over the period of \$85 million equate to \$3,171 less to spend per annual student FTE's and caused the deletion of some 800 salaried positions.

Per the 2010 USNWR Survey of Top 50 Publics, FSU ranked 44<sup>th</sup> in tuition and fees and state support per student.

Although reductions may have a lagging, future impact on a number of university measures, the university is nevertheless maintaining a high level performance in degree production.

### **At the National Level**

Per the most recent (2008-09) ranking of public, very high research universities, FSU ranked 8th in the annual production of baccalaureate degrees at 7, 630-- and first for African Americans at 862.

NIH funding increased by 142% in four years, from \$13 million to \$31 million in 2009-10.

Total C&G expenditures increased by over \$22.0 million to \$184.5 million over the same period above.

### **Internally...**

Examples of self-driven efficiencies abound; a few are listed below.

#### **Implementation and Expansion of Strategic Sourcing Best Practices in Purchasing**

- Contracts currently in place with Office Max, FedEx, GovConnection, Hewlett Packard & VWR International

#### **Adherence to Energy Savings Program**

- Participated in performance contracting with Johnson Controls for almost \$25.8 million in savings beyond implementation costs over a 12-year period for main campus E&G buildings; almost \$483,400 in savings beyond implementation cost over a 4-year period for main campus housing; and just under \$42,000 in savings beyond implementation cost over a 1-year period at Ringling in Sarasota
- Established construction standards targeted at reducing electricity, gas and water consumption
- Experienced 14.2% decrease in electrical rates and 5.0% decrease in natural gas rates
- Achieved reduction in the cost per square foot for all E&G utilities from a prior year \$3.63 to an estimated \$3.25 for FY 2009-10

#### **Enhancement of Enterprise Resource Planning (ERP) System with Implementation of Two Upgrades**

- Implemented and upgraded both Financial and Human Resources Applications

#### **Continued Efficiencies with Grainger Store Operation**

- Operation begun in 2001 brought Facilities' Supply Stores to the campus, saving dollars and personnel time because employees can now purchase items on campus rather than having to drive elsewhere.



## **New College of Florida Efficiencies**

New College continually looks for new efficiency opportunities and frequently reviews current operations and procedures in an effort to improve campus wide operations. A prime example of a long standing operational efficiency involves sharing operating costs associated the following academic and administrative support functions with USF Sarasota-Manatee, whose campus is immediately adjacent to the College's campus: Jane Bancroft Cook Library, Student Counseling and Wellness Center, Police Services, and Campus Bookstore Services. In another shared services function, the College and FSU Ringling Museum have co-located their chiller plants in the same facility, providing each other with back up chilled water capacity and other benefits.

### **Examples of Efficiencies Implemented During the Past Two Years**

- ✓ Restructured Finance & Administration, General Counsel, Student Affairs, Residence Life, Humanities Division, Custodial, and Maintenance staffing resulting in recurring annual savings in excess of \$500,000.
- ✓ Significant progress has been made in reducing consumption of purchased utilities (electricity, natural gas, water and sewer) despite ever increasing per unit costs. 40% of the College's gross square feet is at least 40 years old. An electronic campuswide energy management system is now in place to monitor and control heating and air conditioning in various buildings. Many buildings have been retrofitted with more efficient HVAC, lighting, window and roof systems, yielding recurring annual savings in excess of \$150,000.
- ✓ Renegotiated contracts with various software companies, internet and telecommunications providers resulting in recurring annual savings in excess of \$40,000.
- ✓ Cook Library has replaced many print journal subscriptions with electronic versions saving \$50,000 annually and is now a member of the Rapid Inter-Library Loan consortium which provides electronic journal articles quickly and free of charge. The Library is also taking advantage of a statewide contract with Coutts, a major book vendor, which will provide 8% to 10% deeper discounts than other discount providers.
- ✓ Environmental Health and Safety (EH&S) has enhanced user training and deployed hazardous waste consolidation and substitution measures which have reduced the College's hazardous waste stream and associated costs by 10%.
- ✓ Postal Services implemented a new sorting process to qualify for a pre-sorted discount rate for flats, resulting in recurring annual savings totaling \$8,000.

### **Efficiencies Currently Underway or Being Considered**

- ✓ Installation of a new well water system to supply both NCF and FSU Ringling Museum cooling tower needs for chillers is almost complete. Combined annual recurring savings involving domestic water is estimated at \$80,000 to \$100,000 annually.
- ✓ With increased use of temporary and part time positions, the College is implementing a FICA alternative plan, generating an estimated \$8,000 in annual FICA tax savings and providing a retirement plan for part time employees.
- ✓ The College is evaluating installing solar hot water heating systems in residence halls, which may save an estimated 50% of gas utility costs (an estimated 3-4 year pay back). The College is also considering deployment of Natural Gas Turbine technology that other SUS institutions have embraced with potential energy savings of 25% (an estimated 4-5 year pay back) for each application. Chilled water storage and LED lighting options are also being explored.





## University of Central Florida Efficiencies

The University of Central Florida has distributed over \$79 million of budget cuts uniformly across all of its academic and administrative units, who were then expected to apportion cuts within their own respective areas. Savings from this decentralized approach have been achieved primarily through faculty and staff attrition, deferral or elimination of unfilled positions, reductions of discretionary equipment and travel expenditures, and reductions and/or deferral of general operating expenditures.

Most recently, the university also initiated a number of energy savings projects, including lighting retrofits, building automation system reviews, energy competitions and a thermal energy storage project. Total 2009-10 savings for E&G and other budgets are estimated to be \$1.3 million.

In addition to implementing such cost reduction measures, units have been allowed to carry forward unspent fund balances resulting from delayed hires and purchases to build a reserve of non-recurring funds that is currently being used to address the ongoing budget reductions and loss of federal stimulus funds. This allows us to temporarily augment budgets until projected tuition revenues will negate the need to regularly draw upon one-time reserves.

The cost reduction measures and the flexibility afforded by the non-recurring reserves have helped minimize layoffs and program closures. However, state-mandated cuts of more than a few percentage points will require us to reevaluate how we ensure the university's long-term success.



## **University of Florida Efficiencies**

- Approximately 18 months ago, UF initiated an energy reduction program by recommissioning campus buildings. Recommissioning means returning the building to its original operating specifications. We have completed the process on approximately 23% of our square footage, and this has saved over \$600,000 in recurring utility costs. The ROI will be recovered in three years or less.
- Energy Awareness Program. This program encourages building occupants to conserve energy by turning off lights, printers, etc.
- Vehicle Reduction Program. UF has expanded the Zip car program as an alternative to bringing cars on campus. UF has reduced ownership of state cars and students bringing cars to campus.
- Textbook Rental Program. This program goes “live” this Fall with savings to students of up to 50%.
- The university eliminated the payout of unused sick leave for newly hired employees. The savings from this benefits change will take a decade to begin realizing, but it will eventually save millions of dollars.
- Among the FY 2009-10 budget measures approved by the BOT to achieve efficiencies and cost-savings: merger of departments of Operative Dentistry and Dental Biomaterials; closure of Educational Psychology program and associated degrees; closure of Documentary Institute; merger of Department of Communication Sciences and Disorders and Department of Communicative Disorders; closure of Rehabilitation Counseling Division; merger of Student Mental Health with Counseling Center
- As part of UF’s Strategic Sourcing project (which began over three years ago), we initiated Sci-Quest online delivery system through the university portal about a year ago. We are estimating this project saves between \$1M and \$2M.
- Maintenance consolidation. IFAS Facilities Planning & Operations has taken over maintenance at CREC-Lake Alfred this past year, resulting in the following savings:
  - a. Elimination of three maintenance positions
  - b. By engaging in preventive maintenance, costs decreased \$60K
  - c. Onsite maintenance staff replaced external contracts, yielding \$15K-\$20K annual savings



## University of North Florida Efficiencies

Listed below are some of the significant campus projects UNF has undertaken in the past few years to address the goals of cost-savings, increased efficiency of resources, and reduction in consumable energy.

- Overall, the total campus energy consumption has been reduced from \$17.20kWh/sq.ft. in 2007-2008 to \$16.89/kWh/sq.ft. in 2009-2010. One example is an HVAC and lighting retrofit of the University Arena. The Arena project resulted in an overall reduction of 227k kWh between the years 07-08 and 09-10. This change equates to a 17% reduction in building energy use.
- The project to replace campus dumpsters with compactors has yielded a 9% reduction in actual cost in the handling of refuse (labor included).
- Postal Services were outsourced to a third-party vendor. As a result of this effort, mail pickup and delivery across campus has been increased to twice daily, a service level never before accomplished at UNF. In addition to increased service the postal budget in 07-08 was \$299,502 and in 2009-10, the budget was \$184,448. This has created savings of over \$115,000.
- The Duplicating Services operation was closed and digital printing was outsourced. Under this program service levels remained at the already high levels being previously provided, however, the pricing to departments was reduced by approximately \$30,000 annually and the annual operating loss of approximately \$105,000 was eliminated.
- The Convenience Copier and Pay for Print programs were contracted to an outside vendor and continue to provide full-time on-campus support and management. Renegotiations for this contract resulted in an overall cost reduction in the Convenience Copier program of approximately \$70,000 annually. In addition, the negotiated per click rate of \$.0065 will allow the University departments to redirect printing from higher cost devices and save up to \$.06 per page. The Pay for Print program services were enhanced to add additional color devices and web based printing that will allow students to print from their laptops or PDA. Costs for printing/copying were reduced from \$.11 per page for black and white to \$.09 per page. Color printing/copying was reduced from \$1.00 to \$.50 per page. These reductions will reduce costs to students by approximately \$35,000 annually.



## University of South Florida Efficiencies

The University of South Florida System has implemented several initiatives over the years that have resulted in efficiencies. Such initiatives include:

- Consolidated purchasing across the USF System for office supplies and computer related expenses; reduced spending on travel, equipment purchases, general operating expenses and contractual services. Estimated savings/reinvestment - \$2.7M.
- Reduced purchased utilities costs by increasing the energy efficiency of campus lighting, replacing incandescent traffic lights with energy efficient LED traffic lights, using automation to monitor and control remote utility plants, purchasing natural gas at a reduced rate, improving the efficiency of the central plant chiller operations and by improving the efficiency of building air handling units. Estimated savings/reinvestment - \$3.7M.
- Implemented an Early Retirement Incentive Program - Estimated savings/reinvestment - estimated salary recovery of \$4.1M with a 10% - 15% savings.
- Entered into agreements for shared central services within the USF System for items such as library resources, legal services, internal audit, accounting, purchasing, enterprise business systems and other administrative functions. USF Sarasota-Manatee and New College of Florida also share services. Estimated savings/reinvestment - \$2.4M.
- Reduced the number of course offerings; increased the number of students per class; increased faculty workload; consolidated small units leading to administrative savings; closed underperforming centers. Estimated savings/reinvestment - \$2.3M.
- Increased the usage of technology and ERP system functionality to improve efficiencies. Estimated savings/reinvestment - \$1.5M.
- Improved contract negotiations through use of ITN process and other negotiating strategies resulting in price reductions, "in-kind" contributions, and service credits. Estimated savings/reinvestment - \$5.5M.
- Centralized and consolidated infrastructure and general administration in several areas to gain efficiencies in operational costs and eliminated administrative and support positions. Estimated savings/reinvestment - \$2.1M.
- Use of refurbished and/or sustainable equipment and materials such as use of refurbished transit buses, alternative materials for re-paving, and reusable food service containers. Estimated savings/reinvestment - \$488k plus 30% of asphalt cost.
- Reduced the necessity for off-campus leasing by maximizing the use of classroom space across the USF System. Estimated savings/reinvestment - \$2.0M.



## University of West Florida Efficiencies

UWF is pursuing operating efficiencies primarily via six key strategies:

1. **Consolidation of operations.** In various areas of the university, previously-separate operations have been consolidated for improved efficiencies. Combined support staffs now support various offices, such as General Counsel and University Affairs, in central administration. Marketing and Communications has restructured for improved efficiencies and alignment. A downsized development staff achieved UWF's third highest year in dollars-in-the-door fundraising. Various Business Services operations have consolidated and downsized for streamlined management.
2. **Automation.** Information technology and related technologies are improving efficiencies in previously unautomated areas such as student conduct management, where \$23K in annual staff savings have been realized. In other areas, increasing automation is allowing staffing to remain flat while transaction loads and workloads are increasing dramatically. In WUWF public media (radio/television), automation has allowed labor savings in excess of \$20K annually and additional \$20K of other production cost savings. Use of address verification software and bar coding systems in Postal Services has saved UWF \$147K in mailing costs since January 2009.
3. **Energy efficiencies.** Continuing investments in automated building system controls, updated building systems, and other energy conservation and waste reduction measures are allowing us to contain consumption and keep utility costs within budget in spite of rapidly escalating prices.
4. **Strategic sourcing.** UWF continues to seek the most appropriate sourcing strategy for services. In many cases this involves outsourcing previously-internal operations, such as moving our email systems to Google for an estimated \$200K savings, or outsourcing areas of grounds services which has resulted in improved service at lower cost. In other cases, strategic sourcing can actually involve moving services in-house, as in the case of our student health center where in-sourcing is estimated to save in both staff and contract management costs.
5. **Consortial collaborations.** A special form of strategic sourcing is participating in joint agreements and consortial collaborations with other institutions. For example, UWF has joined the CampusEAI Consortium to reduce our costs of operating an institutional software portal. Our participation in Florida LambdaRail provides cost savings for network services.
6. **Contract administration.** UWF seeks every opportunity to achieve contract negotiations and re-negotiations resulting in savings. In 2009-2010 this saved an estimated \$332K in service costs. Ongoing after-the-fact monitoring of contract achievements has resulted in \$100K of rebates to the university in 2010.