

**AGENDA ITEM: FY2009-2010 Base Reductions****ISSUE:**

Due to the state's expected revenue shortfall for the coming fiscal year, each higher education governing board is required to make reductions to their state operating budgets. Metro's identified base reduction for the coming fiscal year is \$4,961,120.

**BACKGROUND:**

The president and vice presidents identified three tiers of reductions totaling \$9.6 million. The proposed Tier I reductions satisfy the state's request and would be implemented July 1, 2009. The Tier II and III reductions are identified as alternates to Tier I or as additional reductions if the state's revenue forecast further declines.

**ANALYSIS:**

At the March 10<sup>th</sup> meeting of the Trustee Finance Committee, details of all three Tier reductions were provided for review and input. After discussing the proposed reductions, the committee moved to recommend the Tier I reductions to the full board. Additionally, the committee supported the identified Tier II and III reductions as the basis for making further cutbacks if necessary. In the event this is necessary, further recommended reductions will be brought to the Finance Committee and full board for approval.

**Summary of Tier I Reductions**

<b>Area</b>	<b>Base Budget</b>	<b>Target Reduction</b>	<b>Identified Reduction</b>
President	2,713,320	130,704	137,337
Academic Affairs	64,159,069	3,091,012	2,905,195
Student Services	7,276,891	350,586	361,591
Administration & Finance	3,675,232	177,073	180,115
Institutional Advancement	3,727,785	179,588	189,530
Information Technology	4,960,992	239,008	295,174
Other	19,336,670	793,149	893,149
<b>Total</b>	<b>105,849,959</b>	<b>4,961,120</b>	<b>4,962,091</b>

**RECOMMENDATION:**

The Trustee Finance Committee has reviewed the proposed reductions and recommends Tier I approval as presented.

FY2009-2010 Tier I Budget Reductions

Description	President	Academic Affairs	Student Services	Admin & Finance	Inst Advmnt	Info Tech	Other	Total	FTES
Abolish pos or reduce funding	78,000	2,633,117	325,909	148,115	189,530			3,374,671	34.54
Change from GF to Aux funds	59,337		35,682			322,020		417,039	2.50
Cut Operating Expenses		272,078		32,000				304,078	
Maintenance & Software						-26,846		-26,846	
AHEC							395,530	395,530	
Library							182,483	182,483	
Eliminate Inst Reserves							100,000	100,000	
Classified Perf. Pool							215,136	215,136	
<b>Total Tier I</b>	<b>137,337</b>	<b>2,905,195</b>	<b>361,591</b>	<b>180,115</b>	<b>189,530</b>	<b>295,174</b>	<b>893,149</b>	<b>4,962,091</b>	<b>37.04</b>
Proposed compared to target	6,633	-185,817	11,005	3,042	9,942	56,166	100,000	971	

President  
Tier I –

1. The Executive Assistant to the President is currently funded entirely with State Funds. Propose transferring 25% of this position's total funding (\$20,913) to auxiliary funds. This reflects an appropriate percentage of time this position spends working on institutional support projects.
2. Reduce state support to the Metro Athletic Department by \$38,424. This will be accomplished by transferring the Sports Information Director from state support to auxiliary funds. The auxiliary fund will accommodate this transfer by: Reduction of operating and travel expenses and by seeking additional donations through the foundation to cover the operating and travel expenditures. The negative impact of this expenditure reallocation from the auxiliary fund to the foundation is funds donated for discretionary use will be used for ongoing operating expenses rather than program and staff development, outreach efforts, and promotion of the athletic program.

Staff evaluated the feasibility of creating a service learning opportunity with an academic department to provide the Sports Information responsibilities. Due to the nature of the duties which entail deadlines, game administration, compliance and travel from campus, it is not appropriate to assign these duties to student interns.

3. Eliminate \$10,000 from president's area vacancy savings.
4. Internal Audit Service Project  
The School of Business approached us about partnering with the Accounting Department's advanced audit class to provide their students with actual internal audit experience. To accomplish this, we propose the following:

- Abolish the Internal Audit Position at the College. This will generate approximately \$88,000 per year in general fund savings.
- Coordinate with key members from Accounting, the School of Business, Board of Trustees, President's Office, and Administration and Finance to identify key audit projects for our students.
- Assign one member of Administration and Finance to work with the Accounting Department to assist them with reviewing audit work.
- Work with the Accounting Department and students to make presentations to the Finance Subcommittee as audits are accomplished or at major milestones in the audit process.

This partnership will enhance the learning experience, as well as the job marketability, of our accounting students. It will also generate significant savings to the college's budget, and if efficiently organized, improve the overall audit function of the college. This is possible because four to five audits will be accomplished each semester, since we will have approximately 3 to 5 teams of students to work on the different projects or issues. However, there are consequences that will need to be managed if we implement the partnership. These include:

- Confidentiality. The audit process is a very confidential process and it will be important to develop policies and procedures that ensure this confidentiality.
- Special projects. During the year, the President's Office, Vice Presidents, and Board of Trustees may identify special projects for the internal auditor. These projects are often assigned with short notice and need immediate attention. To manage this potential issue, we could use non-base monies to hire a private internal audit firm. After contacting internal audit firms, we found that it would be approximately \$115 per hour to obtain these types of services. Recommend \$20,000 be set aside annually for confidential audits or special projects.

#### Academic Affairs

##### Tier I –

1. Propose reducing the faculty vacant pool by \$2,097,956. This consists of reducing the average compensation per faculty vacant position from approximately \$71,000 to \$65,000 each which will generate a savings of \$781,736. The pool will also be reduced by 18.5 faculty lines for a savings of \$1,316,220. These 18.5 lines have not been advertised or filled during FY2009. This reduction will significantly impact the funds available to cover non-base operating expenses historically covered by this fund, and will reduce dollars available for non-base funded affiliate faculty hires.
2. Reduce summer teaching budget by 3.5% or \$80,667. The Deans and chairs are using several strategies to assure faculty levels sufficiently meet the summer teaching need. These include paying some FT faculty at affiliate rates and cash-funding some course to minimize the impact of the reductions.
3. Reduction of operating budgets, including:
  - 15% reduction by each school for an estimated savings of \$125,278. Since the schools have received a minimal increase over the last decade a loss of base operating budget will increase the likelihood for additional program fee increases.
  - Reduce Center for Innovation budget by \$50,000. In the short term the impact is minimal. As the program advances every effort will be made to restore this base.
  - The first year program operating budget will be reduced by \$96,800, to provide funding for key positions necessary to manage this program.
4. Elimination of Administrative and Support Staff vacant positions
  - Assistant Director of International Studies, \$77,675. The elimination of this position will further challenge the ability of a small staff to meet the needs of a growing program. The Program Assistant (currently listed in Tier II) will be assuming many of these responsibilities.

- Associate Director of Internship Center \$77,760. The college views the duties performed by this position as essential, therefore the institution is looking at the feasibility of co-locating the Internship Center and Career Services, so that support services can be combined.
- Associate Dean in Letters Arts and Sciences, \$115,609. The office will use faculty on reassigned time to fill this need. The Dean and the Provost agree that every effort should be made to restore this position as resources allow.
- Support Staff positions totaling \$183,450 and 4.0 FTE. The college recognizes the need for support staff due to the addition of many new faculty lines. The elimination of unfilled or new positions is essential to preserve the current workforce. As soon as fiscally feasible new support positions need to be added.
  - a. The college created 3.0 FTE (2 full-time and 2 part-time positions) from internal savings to address the support staff needs in academic affairs. Due to the timing of the reallocation and the budget reductions these positions were not filled.
  - b. Elimination of Admin Assistant III in Honors, \$42,676. This position is instrumental not only to support the new Honors program but also in countering the widely-held misconception that the First Year Success program is for provisional students only. Therefore, that role will now need to be championed by other staff.

### Student Services

#### Tier I –

1. New Positions Eliminated-Total Savings \$152,670
  - New Position-Director, Multicultural Student Services \$72,600
  - New Position- Administrative. Assistant, Multicultural Student Services \$25,620
  - New Position-Assistant Director of Student Academic Success \$54,450

These three positions were a part of our increased efforts to support retention and expand services related to diversity. We will continue the efforts as we can with current staff, but will not be able to move forward with establishing a Multicultural Student Services Office without a new position.
2. Transfer 50% of the new Director Urban Center for Civic and Community Engagement- to auxiliary funds-\$35,682. This position will support the Strategic Plan (Goal #3) and our outreach efforts in the community. This reallocation allows us to continue our UCAN Serve Program. The program provides educational stipends (federal money) to students who do volunteer work or service learning. The Urban Center for Civic and Community Engagement Task Force will be able to complete their work and provide recommendations, but it is likely that few of the recommendations will be able to be implemented without additional staff support. This position is designed to support faculty, staff and student outreach to the community.
3. Reduction of the base salary for the new Outreach Counselor represents a savings of \$18,000. This is one of two positions recommended by the HSI Task Force and will focus on increasing our Hispanic enrollment. The estimated salary and benefits was \$60,500. Human Resources indicated the appropriate figure is \$42,500. We can save the difference and put it toward the base reductions.
4. Combine/Eliminate 3 positions for Academic Support and Assessment-Savings \$150,000
  - New Position-Assistant Vice President for Academic Partnerships \$121,000
  - New Position-Administrative Assistant for Academic Partnerships \$51,240
  - E490 Director, Student Services Technology (Assessment) \$82,999

The Assistant Vice President and the Director for Student Services Technology/Assessment will be combined into one position for a savings of approximately \$100,000. The duties of the Administrative Assistant will be absorbed by the Administrative Assistant in Enrollment Services, shown in Tier Three for an additional savings of \$51,240. The combination and reassignment of duties leaves \$100,000 for a Director of Academic Partnerships and Assessment. Given the

growth in the 1st Year Success Program and the need to focus on retention, this is an essential position. The new director will work closely with Academic Affairs. In addition, the person in the position will lead the Divisions assessment activities. Assessment activities are essential and require special expertise.

### Administration and Finance

#### Tier I –

1. Eliminate a new Data Manager in Institutional Research. This position was recommended by the HSI Task force to primarily manage the HSI data collection clearinghouse. With reallocation of duties and eliminating some underutilized reports, the Office of Institutional Research can dedicate .30 FTE toward this initiative.
2. Return FY2008-09 Operating Budget Allocation of \$32,000, the impact of this reduction includes:
  - o Currently we provide benefit information and change forms in both electronic and hard copy format. The college would move to 100% electronic and eliminate the option for faculty and staff.
  - o Substitute base funds with non-base dollars for professional development opportunities in the division. Will seek non-base dollars to supplement professional development budget.
  - o Cover temporary and student staff from non-base funding rather than base in Accounting Services, Student Accounts and Human Resources.
  - o Unable to replace Desktop computers and other needs which are no longer provided by the IT division.
  - o Cover OCE with future vacancy savings or requested non-base funds.
3. Delay a planned reorganization indefinitely and identify non-base dollars for a project manager needed for future capital construction projects.

### Institutional Advancement

#### Tier I –

To meet its targeted FY09-10 tier-one reductions, Institutional Advancement has focused on a reorganization of its Development and Alumni offices. The changes began with the creation of an Associate VP for Development and Alumni Relations position last summer. This, along with other position changes, re-organization and the imperative to contribute to budget reductions, has allowed Institutional Advancement to meet and exceed the targeted share of reductions, the total reduction is \$189,530. The reorganization included the elimination of the Assistant VP for Development. Additionally, funding for two newly created and critical positions was eliminated, one in Alumni Relations and one in the Office of Sponsored Research and Programs. Institutional Advancement will seek to reinstate these two positions as soon as fiscally feasible.

### Information Technology

#### Tier I –

1. Increase IT base funding for mandatory software maintenance expenses by \$64,826. Annually, the College must pay a maintenance fee in order to use the SunGard Banner system. Annual maintenance fees for the College's major software applications increase every year. This maintenance fee is usually 15-20% of the initial non-base license charge, typically increasing 5% every year. For FY09, these maintenance fee increases were paid using non-base funds for the SunGard Banner system, SunGard Application Xtender system (for document imaging), SunGard ODS/EDW system (eMerge data warehouse), and Oracle databases.
2. Use the student tech fee for student-related Banner costs for an estimated savings of \$201,250. This proposed budget reduction would reallocate a portion of the annual maintenance fee for the SunGard Banner system to the Student Technology Fee. Only those systems that are used by or directly impact students would be considered for this reallocation. This includes the maintenance

fee for the Banner Student and Financial Aid modules, the Luminis portal (MetroConnect), the student self-service module, and a portion of the Application Xtender system (document imaging).

3. Cancel support for Oracle Advanced Security option resulting in a saving of \$37,980. The college purchased this software, but for various reasons has not completed the installation. The cost to install the software is \$150,000 in consulting fees. Therefore, rather than incur the additional implementation costs, the proposal is to cancel the annual maintenance contract for this uninstalled application.
4. Increase use of student tech fee for student-related IT personnel costs (1.75 FTE), \$120,770 savings to the state appropriated funds. A portion of IT personnel costs (7.8 FTE for \$603,429) are currently paid for using the Student Technology Fee. These individuals provide support for systems used directly by Metro State students. An additional 1.75 FTE in personnel costs would be allocated to the Student Technology Fee for IT personnel supporting the Banner Student module.

#### Institutional

##### Tier I –

The proposed Library and AHEC reductions are based on the proportion of Metro State's contribution which is funded by state general fund dollars. The current estimate equates to a reduction of approximately 5%.

Similar to the faculty pay-for-performance pool, the college identified base dollars to be allocated for non-base performance pay for the classified staff. Prior to this appropriation the college identified non-base funds to cover state mandated performance payouts. The college will continue to cover performance pay from non-base dollars. This will generate a base savings is \$215,136.

The college's institutional base reserve is \$100,000. This proposal eliminates this reserve.

FY2009-2010 Proposed Tier II and Tier III Budget Reductions

Description	President	Academic Affairs	Student Services	Admin & Finance	Inst Advmnt	Info Tech	Total	FTES
Abolish pos or reduce funding	131,725	1,301,748	256,378	73,059			1,762,910	31.00
Change from GF to Aux funds						452,116	452,116	5.5
Cut Operating Expenses	30,000	10,500			51,000		91,500	
Eliminate Program			130,283				130,283	2.45
Student Hourly to Onetime	22,000			18,000			40,000	
Faculty Pay for Performance		2,166,015					2,166,015	
<b>Total Tier II &amp; III</b>	<b>183,725</b>	<b>3,478,263</b>	<b>386,661</b>	<b>91,059</b>	<b>51,000</b>	<b>452,116</b>	<b>4,642,824</b>	<b>38.95</b>

President

Tier II –

Associate Director EEO (\$68,805) – This position is responsible for the administration of the College’s Affirmative Action Plan, manages the search and screen process for compliance with EO program’s governing practices, leads recruitment efforts for the college across the country, informs and advises search committees to ensure compliance with regulations, has responsibility for Compliance Reporting and Data Collection for the Adverse Impact Auditing systems to generate required EO analysis and reports for the EO Director for the Affirmative Action Plan. Due to the nature and volume of searches and related duties there is no other staff in place currently to absorb these duties without significant negative impact to their current roles as EO Director and Administrative Assistant to the EO Office. The reporting and analysis functions are required in order to be in compliance with Federal Affirmative Action regulations.

Tier III –

1. \$62,920 – The proposed abolishment of the Diversity Program Coordinator – As part of institutional initiatives, new dollars were allocated for this position on July 1, 2008. Although the duties of this position are currently being handled by the Assistant to the President for Diversity, and the shared Administrative Assistant to the General Counsel and Diversity, the loss of this position would significantly impact the progress of this initiative.
2. \$30,000 – Return FY09 Operating Allocation – Could use non-base funds to cover these needs.
3. \$22,000 – Move student hourly to non-base funding.

Academic Affairs

Tier II –

1. 3.0 FTE Academic Advisors and \$170,235. Although these are on the list as potential reductions, the loss of any of these could be devastating to the academic success of our students. The college would hire non-base administrative positions to fulfill this essential need.
2. Elimination of Support Staff vacant positions

- Program Assistant in International Studies, \$49,805. This position cannot be eliminated if the Assistant Director is eliminated in Tier I. Between the two positions one must remain to assume critical support duties.
  - Support Staff totaling \$147,029 and 3.0 FTE. Academic Affairs views these as critical positions and will cover the need in these departments with temporary staff support.
3. An estimated \$10,500 can be saved from the Academic Affairs base budget by purchasing new software to process the student faculty evaluations and moving to an online process.
  4. Eliminate 10.0 vacant faculty lines, \$650,000. These represent lines used for temporary faculty and help generate vacancy savings used for non-base operating needs. Since temporary faculty also advise, as well as teach, the workload on some faculty will also increase.

#### Tier III –

1. The elimination of the Art Lab Coordinator position that we currently share with UCD would generate a prorated savings and could hurt the relationship between the two institutions in the Art Department.
2. Academic Advisors – the college has 2.0 additional vacant academic advisor positions. One was created through reallocation of funds and the other is a retirement. If either of these need to be eliminated non-base funds must be made available to cover this critical advising need.
3. \$96,800 for two positions currently vacant in the first year program. Funds were identified in Tier I to “Buy-Back” these positions. Therefore only in the worst-case scenario should these be considered for elimination.
4. Tenure and Tenure-Track Pay-For-Performance \$2,166,015. These dollars will be evaluated if the current budget situation worsens. Currently the budget reduction can be achieved without utilizing this source or interrupting the advancement of this initiative.

#### Student Services

##### Tier II –

1. Cover the functions currently base funded for an Interpreter, \$49,504, from non-base funds achieved through operating efficiencies.
2. Reduction of the base salary for the new Outreach Counselor represents a savings of \$18,000. This is the second position recommended by the HSI Task Force and will focus on increasing our Hispanic enrollment. The estimated salary and benefits was \$60,500. Human Resources indicated the appropriate figure is \$42,500. We can save the difference and put it toward the base reductions.
3. Abolished an Outreach Counselor for \$42,500. This represents eliminating the Counselor position identified as a base compensation reduction in Tier I. This is one of two positions recommended by the HSI Task Force to focus on increasing our Hispanic enrollment.

##### Tier III –

1. Eliminate a program and the corresponding positions for a state appropriated savings of \$130,283. Although this program provides for a key service to the students, and is needed for accreditation of SPS and Business programs, the college is evaluating the cost benefits of continuing the program in the current format. In addition, current initiatives with Alumni Relations would have to be put on hold. The elimination of this program would only be considered if the state of the budget declines significantly.

2. Proposed abolishment of Administrative Assistant to Associate VP for Enrollment, \$56,874. This position is essential to getting the work done in Enrollment Services. In addition, the person in the position will support the Director of Academic Partnerships and Assessment (see Tier Two).
3. Abolished an Outreach Counselor for \$42,500. This represents eliminating the Counselor position identified as a base compensation reduction in Tier II. This is the second position recommended by the HSI Task Force to focus on increasing our Hispanic enrollment.
4. New CCD Transfer Coordinator \$47,000. This position is focused on working with CCD to support our students that have to go to CCD for remedial work. The retention rate of these students is low. Additional support and better coordination with CCD staff will enhance the retention and graduation rate. If we do not fill this position will not be able to move forward with our partnership with CCD.

### Administration and Finance

#### Tier II –

1. Net Savings from Human Resources Reorganization, \$34,336. This will result in the elimination of 1.0 FTE which is responsible for HR system security, website management, Banner data entry, and temporary employment coordination. The duties would need to be distributed between five existing positions and would increase reliance on temporary employees.
2. Abolishment of an Accounts Payable Clerk. This could jeopardize the ability of Accounts Payable to remain current with all invoices and the ability to ensure compliance with the procurement cards in a timely manner.

#### Tier III –

Move \$18,000 student hourly from base funding to non-base funds. This is an ongoing expense and the unit depends on these students to accomplish the workload.

### Institutional Advancement

#### Tier III –

\$51,000 – Return FY09 Operating Allocation – Could use non-base funds to cover these needs.

### Information Technology

#### Tier II –

Two vacant IT positions would be eliminated resulting in \$198,211 in personnel cost savings to the College. Both of these positions were within the Application Services department supporting the SunGard Banner system. This unit had a net increase of 3 FTE in FY08, along with the promotion of 5 current employees. Therefore, the responsibilities assigned to these vacant positions could be absorbed within the existing department without any adverse impact on customer service. The funding source for these are in the colleges Administrative Recharge fund, therefore the use of these dollars would be available for other appropriate uses reallocated from the state general fund.

#### Tier III –

Increase use of student tech fee for student-related IT personnel costs (3.5 FTE): \$253,905 reduction. Similar to the reduction proposed in Tier I, an additional 3.5 FTE in personnel costs would be allocated to the Student Technology Fee for IT personnel who provide network and desktop support for the student computer labs.

As in the Tier I proposal, no student services would be adversely impacted by this proposed funding reduction.

