



James E. Rogers
Chancellor

Nevada System of Higher Education

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MEMORANDUM

DATE: February 10, 2009

TO: NSHE Board of Regents

FROM: James E. Rogers
Chancellor

RE: REDUCTION & EFFICIENCY IMPROVEMENTS

It defies logic to conclude that the Nevada System of Higher Education which has since its beginning been underfunded, not just a small amount, but by a significant and stifling amount, would not be looking at where it spends each and every dime it receives. It is important to note that every complex organization must continually review its resource allocations and processes in order to maximize the investment of taxpayer funds, and NSHE institutions have focused on these issues.

The schedule below summarizes elimination of activities, operational efficiencies and cost avoidance measures implemented by NSHE campuses in recent years. These efficiencies include elimination or suspension of activities, outsourcing, automation, recycling, sustainability, and renewal to name but a few. Campus creativity and resourcefulness have resulted in over \$170 million in savings or cost avoidance which, I believe, is largely unrecognized by the public at large. I invite you to examine the actions taken by each of your NSHE campuses. It is an impressive record of cost-effectiveness and good stewardship of public resources.

University of Nevada, Las Vegas	\$89,000,000
University of Nevada, Reno	\$61,013,807
Nevada State College	\$3,766,416
Desert Research Institute	\$4,300,000
College of Southern Nevada	\$5,488,256
Great Basin College	\$1,784,758
Truckee Meadows Community College	\$4,417,000
Western Nevada College	\$2,760,000

To indicate that the System has always, on a day-to-day basis, looked for even the smallest savings to make sure the System is working at maximum efficiency, please examine the above summary and read the attached documents from the eight institutions.

I also enclose a part of the memorandum from each of the institutions and the effects of the budget cuts already ordered by the Governor and implemented by the institutions.

The cuts do not paint a pretty picture. If the Governor's proposed cuts were implemented, they would simply close the System. Listing each individual area of destruction would not be necessary or relevant.

University of Nevada, Las Vegas

Total reduction and efficiency improvements: \$89,000,000

Percent savings of FY 2009 operating budget: 28.7%

FY 2009 legislatively approved operating budget: \$310,264,625

UNLV – Savings and Efficiencies Already Created/Implemented to Better Manage Resources

The following efficiency and budget reduction information is compiled from the past 2+ years. This information is a summary of a larger draft totaling over \$89M in budget reductions and efficiency savings.

UNLV has been working—since long before the current economic downturn – to prioritize its programs and to reallocate funds among those programs in an effort to create as much efficiency as possible. This reallocation has covered—but not without some pain—a \$13.6M shortfall in the original 2007-2009 budget, as well as UNLV’s share of the Governor’s reversion requests to date, which amounted to another \$25.1M with student fee revenue shortfalls adding to the reduction totals. We understand that it is part of our responsibility to be good stewards of state funds, and that all public programs have revenue fluctuations.

Suspend or eliminate programs. We have instituted a new rule that no new degree program can be added without trimming a low yield program. We also have formally eliminated 4 degree programs in the past year.

Hiring Restrictions: We had a “soft” freeze on filling vacant positions, which has now turned hard - any open position must be reviewed centrally through the Provost’s office before it is advertised. It is anticipated that few exceptions will be made, and as a result services will further decline. The forced savings will provide some relief for FY’09 budget reductions as well as those that may be faced in the next biennium.

Overall UNLV’s institutional support as a percent of total expenditures (a defacto measure of administrative overhead) continues to decline, in part through efficiency and in part through necessary reductions. For FY’08 the percent overhead was 5.7% - steadily declining from FY’00 when it was approximately 12%. We are now at a rate well below other regional research universities, and likely too low to provide required support for students and faculty.

The academic area’s reduction included over 100 positions and a 25% reduction in allocation for part time instructors (over \$2M) – cumulative total of approximately \$7.92M. Reductions to departmental operating funds intended for office supplies, phones, postage, copying, etc for the approx \$308K balance.

\$8.3M

UNLV has reduced PTI expenditures by about 25%, while increasing faculty teaching loads and increasing class sizes to the absolute maximum of our physical facilities. This increase in teaching load is not completely sustainable, as it is significantly different from peer institutions and many of our best faculty may end up leaving.

\$3.4M

97 faculty lines are open at this time for nearly 10M.

\$9.8M

We will offer approximately 1000 fewer class sections in FY’09 vs FY’08.

*Of a total of 425 professional staff paid on state funds - ~70 are currently vacant (about 16%).

\$5.7M

*Of a total of 781 classified employees paid on state funds - ~85 are currently vacant (about 11%).

\$4.3M

As of 6/30/08 we provided letters of non-reappointment to 28 professional staff members (with total annual salary and benefits of \$2.52M), which adds to the 70 that had already accumulated during the year, for a total of 98. A “normal” year would see between 15-20 letters of non-reappointment.

\$2.52M

VSIP summary: Voluntary Separation Incentive Program. These programs were implemented to help reduce salary and benefit costs prior to the 2009-2011 biennium.

- Professional staff and Faculty: 21 individuals with total annual savings of \$2.5M.
- Classified Staff: The program has not yet been completed, but to date approximately 40 individuals have submitted applications, for annual total savings of about \$2.7M per year.

\$2.5M

\$2.7M

The Finance and Business Division reduced positions totaling \$2.95M including 42 positions. Operating reductions of \$573K were also made.

\$3.52M

The VP Research & Graduate Studies reduced 2 professional positions related to the Institute for Security Studies and the National Supercomputer, 13 graduate assistantships for graduate students who would have been teaching classes, and \$50K of operating funds.

\$.3M

The Student Affairs Division eliminated one position on state funding for approximately \$102K with \$325K additional coming from wage and operating reductions in programs across the division.

\$.43M

VP Advancement's \$102K reduction eliminated one position.

\$.1M

On the administrative side, not filling positions, re-tasking, or appointing an internal person was implemented. Examples include VP for Academic Resources; VP and APV for Research; Deans of Sciences, Honors, and the University College; and VP for Student Affairs. Combining the dean positions of Allied Health and Nursing Colleges; Combining departments in Allied Health; and reducing the number of associate deans. These account for approximately \$1.5M in salary and benefit savings.

\$1.5M

*Eliminated the following administrative positions at UNLV; \$286K total:

*Associate Vice President for Finance

*Associate Vice President for Facilities, Planning and Construction.

\$.3M

We deferred FY'09 merit by 6 months for all faculty and professional staff: \$1.66M.

\$1.66M

There were several special "one-shot" appropriations in the 2007-2009 appropriation, totaling \$950K. Although these are very important allocations to the specific programs, in general they do not directly support instruction and service to students, and therefore they were eliminated.

\$.95M

Women's Research Institute	\$400K
Saltman Center for Conflict Resolution	\$250K
Black Mountain Institute	\$200K
Center for Health Disparities Research	\$100K

Addressed a FY'08 student fee revenue shortfall of \$1.1M and FY'09 revenue shortfall of \$2.9M, on top of the state budget cuts.

\$4M

Office of Information Technology will take a hiatus from routine computer replacements, and will only replace broken machines, not old inefficient ones. We will delay installation of new IT and classroom technology in old classrooms, as well as classroom and laboratory renovations/improvements.

\$.2M

The FY'09 reductions for the School of Law were addressed through the initiatives noted below, many of which extend into FY'09 programs and activities reduced for FY'08.

\$.32M

- Postponed search for technology-related Law Librarian by \$77K.

- Reduction in student admissions and recruitment staff by \$61K.
- Reduction in number of faculty positions of \$156K.
- Reduction of administrative support for faculty teaching and research postponed support staff searches; cut student administrative and research wage by \$21K.
- Reduction in library services provided to students and public patrons.
- Cancellation of many law journal subscriptions (saving operational dollars).
- Reduction in number of clients that can be served by the law clinic
- Reduction in funding for part time instructors and class electives.
- Reductions in funding for computer replacements and classroom equipment
- Reduction in supplies and resources for printing

School of Dental Medicine Reductions:

- Reduction in professional salary and fringe benefits totaling \$307K included positions for an Associate Dean and an Assistant Professor in Residence for Clinical Sciences, Endodontics.
- Reduction in dental assistants and administrative assistant classified support staff of approximately* \$197K
- Reduction in operating expenses by rationing of supplies to dental students of approximately* \$19K.
- Changes for Advanced Dental Education Programs. The decision on the major change to the Orthodontics program was in part made to recognize and respond to the current financial pressures. Delays in other Advanced Dental Education programs have also been implemented - we have suspended plans for implementation of these new programs.

\$\$.52M

Athletics reduced \$239K from salary savings for three (3) positions that we have not filled.

\$\$.62M

In operations, Athletics cut an additional \$149K, primarily from savings from the new NIKE multi-year apparel contract.

\$\$.15M

The CIP (capital dollars) funding Reductions: \$1.85M. These reductions essentially eliminated FF&E options for the facilities, as we reduced the budgets to match available resources and did not request reinstatement of these funds as a high priority in the 2009-2011 capital budget process.

\$1.85M

Greenspun Hall \$750K

SEB \$500K

Student Services Addition \$600K

HECC Funds (building major repair and maintenance) reduction: \$2.6M.

\$2.6M

Modified cleaning schedules to reduce frequencies where it makes sense to do so due to reduced budgets. Focused on bathrooms and common areas, but individual office trash pick up has gone down from daily to 2 times per week. Other cuts in non-common area cleaning were also implemented. Annual savings are estimated to be \$1M.

\$1M

Covered over \$750K in utility costs above the state budget, and worked to reduce overall utility expenditures through numerous plans highlighted in other parts of this document.

\$.75M

Adjusted cooling set points from 74° to 76° F - Understanding that for every 1 degree of temperature setting, we can realize a 1 – 2 % saving in energy use, the temperature settings were changed from 74° to 76° F for increased energy efficiency and budgetary needs. This equates to about \$134K to \$267K per year in savings.

Adjusted heating set points from 74° to 72° F - Understanding that for every 1 degree of temperature setting, we can realize a 1 – 2 % saving in energy use, the temperature settings were changed from 74° to 72° F for increased energy efficiency and budgetary needs. This equates to about \$17K to \$32K per year in savings.

Turf reduction contributed significantly to water efficiency and reduction at UNLV. Facilities Management's extensive projects in water smart landscaping (xeriscaping) have met with excellent results. Over 855,000 square feet of turf was converted since Jan 2001, with over \$700K in rebates which helped defray the cost. These actions are projected to save over 45,000,000 GALS of water per year. This equates to about \$135K savings per year.

\$.84M

The following are explanations and charts for the Energy and Water reductions.

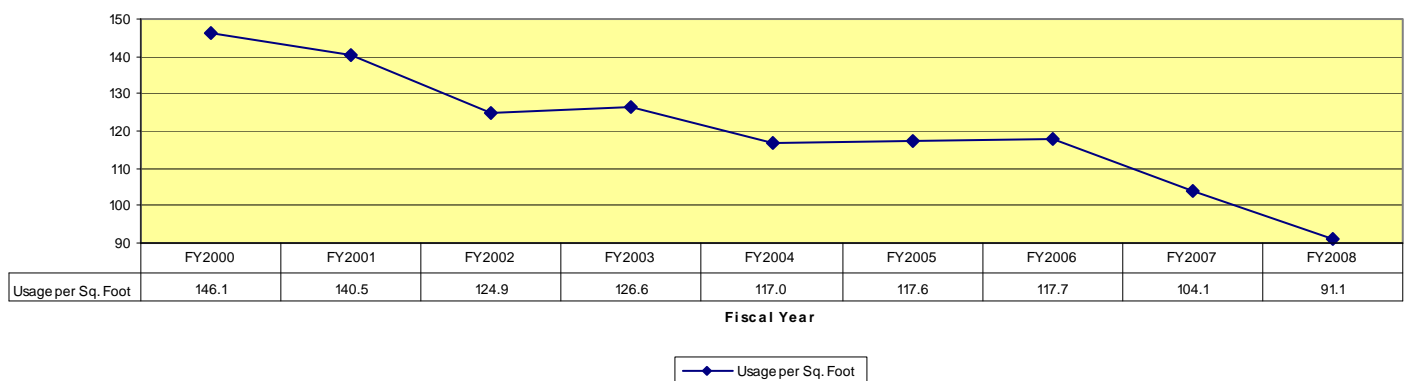
The Total Energy Utilization graphs depict the 38% reduction since FY'00 in use of electricity and natural gas per square foot and an 18% reduction in use per FTE for Facilities Management supported facilities. The impact of this reduction becomes even more dramatic when consideration is given to an 81% increase in square feet and a price per KBTU increase of 73%. These economies were the result of Facilities Management's investments in energy efficiency measures such as; efficient lighting, efficient equipment, energy management systems, and energy efficiency practices.

The Total Water Utilization graphs depict the 45% reduction since FY'00 in use of water per square foot and a 29% reduction in use per FTE for Facilities Management supported facilities. The impact of this reduction becomes even more dramatic when consideration is given to an 81% increase in square feet and a price per KGal increase of 57%. These successes were the results of Facilities Management's installation of; water efficient fixtures, "xeriscaping" projects, and water efficiency practices.

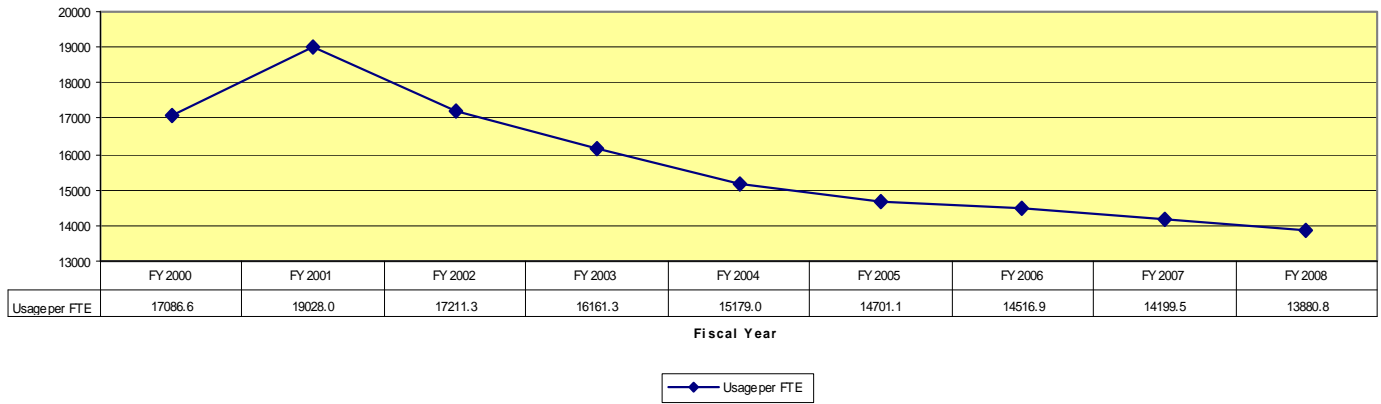
From FY'01 through FY'08, about \$8 million was avoided in energy costs as a result of the aforementioned energy efficiency programs. During this same period, about \$900K was avoided in water costs.

\$8.9M

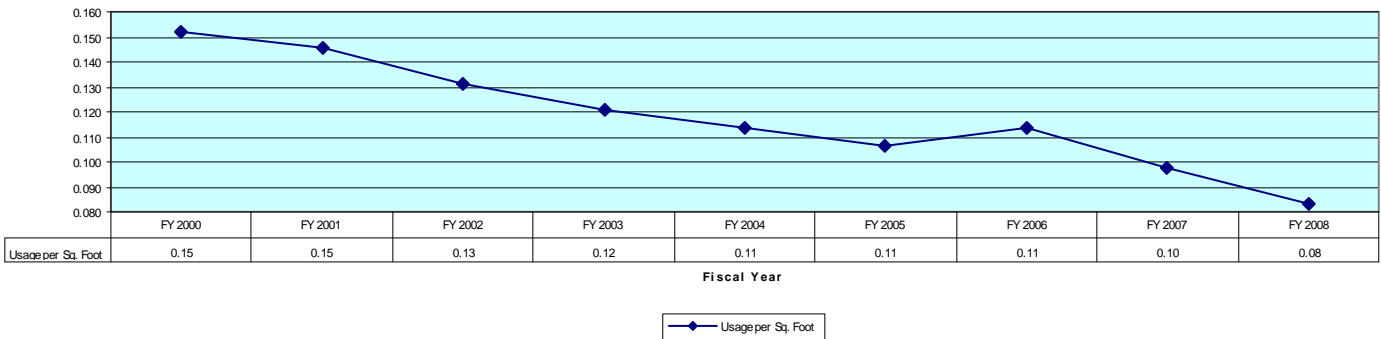
TOTAL ENERGY UTILIZATION
Electricity, & Natural Gas



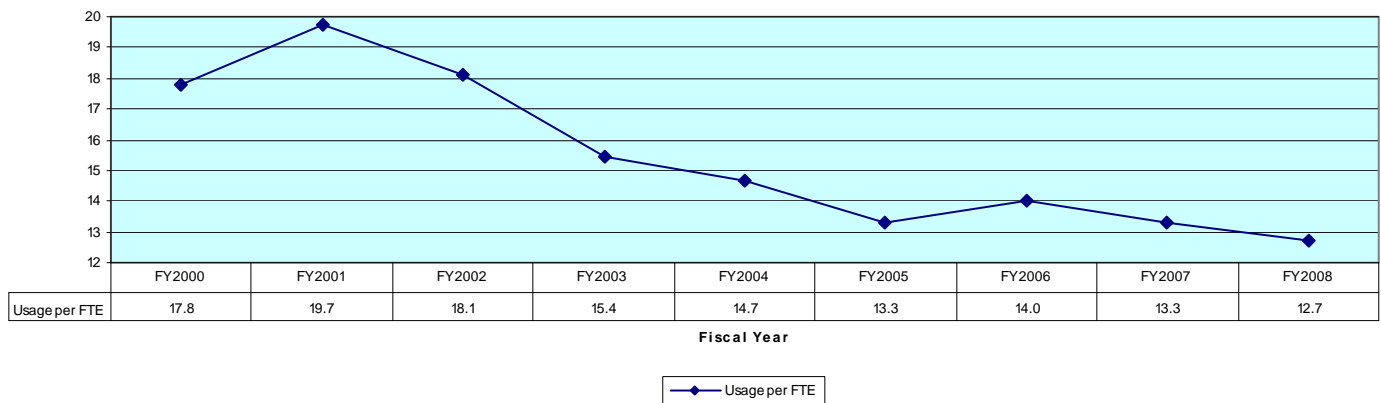
TOTAL ENERGY UTILIZATION Electricity, & Natural Gas



TOTAL WATER UTILIZATION



TOTAL WATER UTILIZATION



Implemented an automated purchasing system to replace what was a totally manual system, using 6 part forms and typewriters for submission of purchase requests – MUNIS. Also included automation to direct invoice to ordering department (this activity alone would save about 4 work-days of processing time for payments to vendors).	\$.4M
Privatized campus motor pool with Enterprise.	\$.2M
Merged bi-weekly and bi-monthly payrolls into one, thus saving staff time and effort.	\$.1M
Implemented a new preferred provider program for campus express delivery, at about 50% of previous rates and improved service to campus through automation (we project will save over \$100K/year in delivery charges for the institution).	\$.1M
Finalized a new and restructured multi-year copier contract that is projected to save \$3-\$4M for UNLV over the next 5 years.	\$3.5M
“Paperless” campaign focused on payroll activity. Payroll checks and Payroll Advise Statements are available electronically for direct deposit and electronic delivery, respectively. Communicated a January 1, 2009 deadline for stopping paper distribution to departments (Note: many of these paperless automation activities were difficult to implement given the age of the automated administrative systems that exist for NSHE, with technical architecture dating back to the late 70’s. It is anticipated that when the iNtegrate project replaces the existing systems more opportunities for efficiency improvements will be available).	\$.2M
Non-payroll reimbursements (travel, etc.) for staff. This was implemented in October, 2008. This will save staff time and costs for paper check production and distribution.	\$.1M
Electronic Funds Transfer for Vendors – Projected for spring 2009. This will save significant costs for paper check production and distribution.	\$.2M
Reviewed wireless communications RFP and awarded contract and initiated implementation plans for campus, to include wireless options for campus buildings and significant savings over previous costs. The relationship established with Sprint Wireless also has resulted in a retail store location in the new student union which will allow discounted wireless service to be offered for students as well as live customer and technical support provided to both students and employees. This will allow the university to take advantage of rollover minutes and significantly reduce the monthly cellular wireless phone bill by as much as 25% or over \$50K/year assuming modest usage. This relationship with Sprint will further allow the university to enhance its in-building cellular reception which can also be used to enhance the university's data or computer wireless network services. This represents a savings to the university of over \$100K for the installation of this equipment (in Chemistry and Education).	
Selected and implemented (for Fall semester, 2008) new “e-bill” student accounts receivable/payable system for students and other campus billing programs. This gives us our first automated billing system for students and improves services to students and eliminates most of the paper mailing charges.	\$.1M
Fully implemented an automated chemical inventory program for the entire campus. The program is being made available to other NSHE entities. This also allowed UNLV to easily meet a new Federal requirement for tracking all hazardous materials and decreased the staffing required to do the same job on a manual basis. The chemical inventory program has also been copy righted by UNLV and will be marketed to outside organizations in hope of generating revenue for the University.	\$.15M

To increase our efficiency and productivity, we are now doing printing for other NSHE institutions to maximize our equipment capacity. We have a formalized arrangement to do the printing for Nevada State College. We are printing NSC's letterhead, business cards, envelopes, invitations, and other products through Reprographics and the Campus Copy Center at a significant savings to NSC.

This is a subtotal of the Reductions and Efficiency Improvements and is a subset or 84% of the \$89M total:	\$74.78M
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Note: Annual State Operating Budget for UNLV is about \$300M.

University of Nevada, Reno

Total reduction and efficiency improvements:	\$61,013,807
Percent savings of FY 2009 operating budget:	21.9%
FY 2009 legislatively approved operating budget:	\$279,101,635

University of Nevada, Reno

Savings

• **Efficiencies implemented with quantifiable savings include:**

- Outsourcing janitorial and maintenance services: Residential Life, Housing and Food Services outsourced its janitorial and maintenance functions to a third-party provider. The contract price for these services is approximately \$.77 per square foot less than the cost to provide similar service with university employees. Outsourcing these tasks has resulted in annual savings of \$407,000 for the department. Janitorial services are also outsourced for the Mathewson-IGT Knowledge Center saving \$100,000 annually. \$507,000 annually
- Energy management program: Residential Life, Housing and Food Services have engaged in an aggressive program to control utility costs. A comprehensive energy management program utilizing lighting retrofits and control systems, solar domestic hot water heating systems, the installation of free-cooling systems and the utilization of automated environmental control systems within residence halls has resulted in savings of more than \$100,000 annually. \$100,000 annually
- Catalog converted to CD and the web: The paper version of the university catalog became too expensive in terms of printing, distribution, and storage. Student Services was faced with either limiting the number of copies of the catalog, which would adversely affect access, or find a less expensive option. Given the rise in use of computers and the Internet, development of on-line and CD versions of the catalog seemed to be a logical solution. Converting the catalog to CD and making the catalog available via the Internet has resulted in greater access and a net savings of approximately \$30,000 per year. \$30,000 annually
- Electronic transcripts: The electronic transfer of transcript information from NSHE institutions has resulted in cost savings and increased productivity. Each institution now saves approximately \$10,000 in printing and postage costs due to automated transcript transfer. The ability to acquire transcripts electronically expedites student advisement, evaluation of transfer credit, and the verification of graduation requirements. \$10,000 annually
- Outsourcing the University Motor Pool: The University Planning Council recommended that the Division of Administration and Finance examine the feasibility of outsourcing aspects of its operation. After a thorough review and a competitive bidding process, the campus elected to outsource its motor pool rental fleet to Enterprise Rent-A-Car effective April 14, 2003. \$125,000 annually

The university motor pool rental fleet consisted of 25 vehicles acquired between 1998 and 2000. With a small, aging fleet and a 'user pool' of over 4,000 faculty and staff, the university encountered several serious operating issues including:

- Mileage/vehicle accumulated at much faster rates than normal.
- Reservation efficiency was lost due to frequent request overlap.
- Fewer vehicles available in each 'class' resulted in 40% referral rates.

- Customer inconvenience in the event of mechanical failure.

Enterprise provides the university with improved value, convenience and service. University personnel can make reservations on-line or by telephone using a contract number provided by Enterprise. Payments can be made using the University Purchasing card, simplifying expense tracking for users and departments. Vehicles can be delivered to the customer upon request. Enterprise has over 50 offices statewide and maintains a vehicle fleet of 5,000 new or late model automobiles, SUVs, and vans. In the event of a vehicle mechanical break down, Enterprise offers an extensive nationwide network to provide assistance to the customer.

- Purchasing Discount Programs: Use of contracted suppliers and consortiums continues to be an important component of our purchasing practices. In addition to the contracts directly with the manufacturers, we expanded the use of Nevada state contracts for various professional services. We made use of the Western States Contracting Alliance (WSCA) and U.S. Communities contracts for significant discounts from suppliers such as Grainger, as well as discounts for telephone and other communication services. We also took advantage of national and regional competitive bidding done through the Educational and Institutional (E&I) Cooperative that includes contracts with vendors such as Office Max and VWR Scientific. Together, these discount programs save the university at least \$500,000 annually. Purchasing recently negotiated a contract with Pepsi-Cola resulting in \$300,000 in annual revenue for the University, increasing \$10,000 each year of the ten-year term of the contract. A cost-per-copy program was awarded to Konica Minolta resulting in significant savings over the costs previously associated with the charges for leasing copy machines. \$500,000 annually
- Fuel Oil substituted for Natural Gas: Facilities Maintenance used previously purchased No. 2 oil at the University's central heating plant to save approximately \$54,000 in fuel costs in 2008. \$54,000 annually
- Installation of photovoltaic system: Facilities Services utilizing utility company funding from renewable energy credits, a 30kw solar photovoltaic system installation was completed on the ballroom roof of the New Joe Crowley Student Union. The project is expected to generate a \$5,000 per year reduction in electrical costs for the building, resulting in a projected 8-9 year payback on the campus construction expenditures of \$40,000. \$5,000 annually
- 4-H Camp conservation projects: The 4-H Camp underwent work to replace the girls' cabin. This project received a Leadership in Energy and Environmental Design (LEED) Silver rating. The improvements reduced irrigation requirements by replacing sod areas with a drought resistant blend of natural grasses. The use of special construction materials and methods as well as the installation of photovoltaic panels on the roof are estimated to save 68% in energy costs annually or \$3,484. \$3,484 annually
- Other Facilities Services energy conservation projects:
 - Updated boiler controls in Lombardi Recreation – estimated savings \$1,000/year
 - Replaced boiler in the Valley road complex – actual savings \$9,000/year
 - Replaced 1,500 campus incandescent exit signs with low energy LED signs – estimated savings \$42,705/year

- Replaced 1,117 feet of high temperature hot water heating line and insulation – estimated savings \$1,000/year
 - Re-commissioned hoods at the Nevada State Health Lab: reduced electrical by 49,400 kWh/year, reduced gas by 6,450 therms/year – estimated savings \$12,600/year
 - Standardized campus temperature set points to 68-76°F
- Facilities Services major energy conservation projects: Energy conservation measures implemented since the last report have resulted in savings in energy and labor of \$609,000 annually. Projects include upgrade of all campus exterior lighting, selected building interior lighting, the automation of the campus central heat plant, replacement of a 15 million BTU boiler, replacement of 5 aging chillers, and the installation of electric/natural gas meters on all major buildings. \$609,000 annually
- Field Turf Installation: In 2006, the University installed four acres of synthetic ‘field turf’ on the campus intramural/ practice fields reducing operating costs by \$120,000. The university also experienced increased student use of the fields and decreased numbers of injuries. In 2007, additional field turf was installed at the baseball field, reducing operating costs by an estimated \$45,000. \$165,000 annually
- Recycling Project: Effective December 1, 2007, the University cancelled the arrangement with Waste Management to pick up the University’s recycled paper. This service was costing the University \$4,000 per month and the University was no longer receiving any payment for the recycled paper due to the decline in the recycled paper market. The University entered into a three-year contract with Waste Management to pay the university \$75.00 per ton for the recycled paper that University employees collect and put in a designated thirty (30) yard compactor located on north campus. \$128,000 annually
- As a result of this action, the University is saving a minimum of \$48,000 annually by not having Waste Management collect the recycled paper from campus and is netting an average of \$1,500 per month or \$18,000 per year from the proceeds of the sale of recycled paper to Waste Management. Thus, the change in the collection methods of our recycled paper has resulted in a savings of at least \$66,000 annually.
- In addition, in August 2008, the University leased a new forty (40) yard trash compactor from Waste Management to replace the old thirty (30) yard compactor. This new compactor has a much better trash compaction ratio and is able to hold much more trash than the old thirty (30) yard compactor. As a result, campus trash collection costs have decreased substantially. It is estimated that this single expenditure will be at least \$80,000 less in FY 2009 than it was in FY 2008.
- Energy Conservation Measures: The following projects were submitted to the Governor for inclusion in his semi-annual Energy Report \$985,500 annually
- Utility savings resulting from negotiated rate changes (large commercial incentive rate for Central Heat Plant and Lombardi Recreation) and heating fuel efficiencies – estimated savings \$580,000
 - Replaced R11 Chillers with high efficiency chillers in the Chemistry Building,

Ansari Business Building, Laxalt Mineral Engineering, and Laxalt Mineral Research – estimated savings \$140,000/year

- Sub metering installed in all buildings – estimated savings of \$100,000/year
- Inductive lighting installed on all outside pole lighting fixtures – estimated savings \$100,000/year
- Upgraded HVAC controls for campus heat plant – estimated savings \$75,000/year
- Implemented Campus Closure December 18-26, 2004 - estimated savings \$30,000/year
- Continued installation of auto-flush valves in restrooms in high-use areas – estimated savings \$500/year
- LEED (Leadership in Energy and Environmental Design) building design grants have been received for the New Student Union project: \$35,000. The design work and improvements in day lighting/lighting control and mechanical system improvements have been projected by a building energy modeling study to save \$90,000 per year in reduced energy usage.

- Flood Mitigation Plan: A flood mitigation plan was developed and implemented which included: \$150,000 annually
 - a remote electronic early warning system at Evans Creek;
 - acquisition of numerous portable flood walls to direct water; and
 - construction improvements to all basement area wells.

These preventative measures should prevent major flood damage to buildings with basements as well as other vulnerable building entries. These measures reduced the university insurance premium costs by approximately \$150,000 and should be re-current savings.

- Project Management Software: The installation of project management software this past year allows immediate access to project costs, status, size, scope of work, and funding source. It also meets the state requirements for tracking all projects and costs. With this software, staff are reporting reduced time for project reporting, improved cost estimate tracking, and reporting consistency. Estimated labor savings: \$30,000 annually. Continued development of Praesto project management software continues to expedite access to project information and status conditions. Plans are underway to further develop its functionality by integrating the database with campus mapping systems. This is expected to expand labor savings by an additional \$5,000—\$10,000 per year. \$37,500 annually
- Cooperative Extension Position Consolidation: The Extension Service consolidated two positions, Personnel Specialist and Finance and Administration Specialist into a single position. Savings from the consolidation are approximately \$90,000 annually. \$90,000 annually

- Cooperative Extension New Building/Program Consolidation: In April 2006, the Cooperative Extension Southern Area office moved from leased space into a new building constructed and owned by the state. The cost of the debt service on the new facility is substantially less than the cost incurred by the Extension Service for rental resulting in first year savings of approximately \$550,000. On-going savings are expected to be closer to \$350,000 which will be reallocated to expanded programming efforts in Southern Nevada. \$350,000 annually
- Lawlor Events Center conservation measures: FY08 efficiencies implemented with quantifiable savings include: \$25,000 annually
 - The purchase and installation of mechanical boiler burners and firing mechanisms to replace the failing system and enhance fuel efficiency of Lawlor's heating and hot water system. Reset HVAC system to limit cooling and heating in unused areas of Lawlor. Trained operations manager and custodial supervisor to assist in monitoring HVAC usage. Estimated annual savings is \$14,000.
 - Replacement of incandescent lamps in foyer and lobby with high efficiency fluorescent flood lamps. Estimated savings of at least \$1,000 per year.
 - Replacement of incandescent lamp basketball scoring system with LCD lamp system, which resulted in negligible power consumption, increased reliability and no need for cooling fans. Estimated electrical savings of \$10,000 per year.
 - Replacement of paper towel dispensers with motion activated models that ration paper usage, resulting in 40% decrease in paper towel waste.
 - Installation of automatic flushing devices in primary restrooms to resolve wasting of water from stuck valves and assist in keeping toilets clean.
 - Implementation of plastic and cardboard recycling program, reducing waste by nearly 23% during major events.
- On-line Faculty Recruitment: Faculty Human Resources introduced an on-line recruitment system in October 2005 that permits departments to receive, review, and process employment applications electronically. The system eliminates the need for application materials to be copied and forwarded to each search committee member. The system permits communication with candidates via e-mail. Approval of new recruitments and requested hires occurs on-line saving time and campus mail routing of paper approvals. Committee members and approving authorities are able to access search materials 24/7 with a secure Internet connection providing flexibility and a more aggressive search time frame. Estimated savings associated with reduced postage and copying expenses approximately \$25,000 annually. \$25,000 annually
- Workers' Compensation Claims Management: Resolution of a recent difficult and complex claim resulted in documented savings of \$100,000. \$100,000 one time
- On-line application for admission: The University now receives the majority of admissions applications electronically. On-line application reduces staff time dedicated to data entry, reduces the possibility for error since information can be directly uploaded into the student information system, and reduces average response time to applicants. Estimated annual savings in postage and copying charges approximately \$5,000 annually. \$5,000 annually

- Portable Water Meter Reader, saved \$15,000 annually. The Facilities Services department purchased a portable electronic water meter reader that will enable the department to read all campus main water meters in less than 4 hours. The new system will also provide early detection of water leaks. The university estimates water leaks cost approximately \$5,000 – 15,000 annually. \$15,000 annually

- The University of Nevada Cooperative Extension Service interactive video: (UNCE) has 19 offices throughout the state. UNCE has made it a priority to have interactive video available to all its offices. In FY 2007 UNCE held 687 meetings with 1,983 participants. We project that the use of interactive video conservatively saved nearly \$100,000 in travel costs. \$100,000 annually

- University Police Department reorganization: The UNR Police Department reorganized on July 8, 2008. The reorganization deleted 2 police officer positions; reassigned the Assistant Chief to Commander; converted two Lieutenant positions to Commander; and reclassified four sergeant positions to police officer. The reorganization allowed the department to save the state \$131,018.96, provide an immediate increased visibility of additional officers “on the street” without hiring any new officers; and implemented the recommendations of the consulting group who believed that it would create a more effective communication stream between all members of the department. \$131,019 annually

- Water Service Systems: A model and analysis of necessary improvements to the campus’ water service systems was completed. With incorporation of several small extensions and utility service improvements identified by the model, we were able to improve campus fire flow designs resulting in less restrictive agency requirements for new project fire service and building sprinkler systems. Projected savings \$75,000 per each new construction project undertaken after completion of the model (minimum of six projects impacted to date).

- Non-quantifiable Energy Saving related work:
 - Campus Chiller Sequences – Chiller systems have been tuned to stay in flat plate free cooling as long as possible before start up. Building cooling cycles have been adjusted with time lags, and equipment weighted groupings to ensure chillers don’t cycle on/off leading to premature failure.
 - Standardized outside air sensors to provide more accurate readings – We now have four high dollar zone sensors that read temperature and humidity. These readings are mapped across the network to all the building controllers. Prior to this, temperatures were read from over one hundred standard quality sensors. The temperature variances were around 40F. These temperatures are used to switch air handlers into/out of dry side free cooling. Even one degree can correlate to hundreds, or even thousands of dollars per year.
 - The following buildings have had some of their air handlers converted from pneumatic control to Direct Digital Control (DDC), or have had their existing DDC controls/sequences updated: Church Fine Arts, Laxalt Mineral Engineering, Ansari Business, Mackey School of Mines, Mackey Science, and Pennington.

On-Going Cost Savings**\$4,316,807**

- **Cost Avoidance initiatives implemented that resulted in increased employee productivity and greater operational effectiveness include:**
 - The Athletic Academic Center Building completed May 2008, achieved a LEED Silver Certification. The unique design features of this facility are expected achieve 20.8% in energy savings (21.3% in electricity and 18% in natural gas savings). An estimated 29.6% is expected to be achieved in total water savings. The cost and installation of a new boiler and chillers for this facility were avoided by connecting the building to the heating hot water and chilled water systems in Lombardi Recreation in 2008. This measure alone yielded \$200,000 in savings over new equipment costs. \$200,000
one time
 - Campus Wetlands: The University negotiated with the U.S. Army Corps of Engineers and the Washoe County Parks department to relocate and improve the north campus wetlands to provide needed construction sites on campus. The relocation resulted in the ability to develop nearly 10 acres of land within campus boundaries saving the institution approximately \$3.0 million. The first new building on the site is currently under construction. The 107,000 square foot Center for Molecular Medicine has a project budget of \$79,284,629. \$3,000,000
one time
 - In 2008, renovating the University Inn to undergraduate student housing, provided 289 new beds, yielding a significant savings over new construction. A new building would have cost \$21,000,000 more than the cost to renovate the 40-year old University Inn. \$21,000,000
one time
 - The university realized a \$197,000 savings through negotiations with the City of Reno, reducing the cost to install a traffic signal on North Virginia Street. \$197,000
one time
 - Lawlor Events Center:
 - Introduced print-at-home ticketing for LEC events to shorten will-call lines, save in-house printing costs, speed ease of entrance to the facility and improve attendance record keeping.
 - Hired a custodial services supervisor with a strong maintenance background to assist with a greater number of repair and preventative maintenance issues rather than relying on third party or UNR facilities employees to address these issues.
 - Implemented a “lights out” program, encouraging employees to turn off lights and close doors when leaving rooms, storage areas, concourse, etc.
 - Parking Services Initiatives: The University of Nevada, Reno has no land available for additional surface parking lots. All new parking spaces must be added within parking structures at a cost of \$15,000 per space. The Parking and Transportation Services department has implemented a series of initiatives in an effort to reduce the demand for parking and to encourage campus members to use alternate modes of transportation to get to campus. Combined these initiatives have reduced the need to construct nearly 1,000 new campus parking spaces, saving the University an estimated \$15 million in capital construction costs and \$13 million in related financing costs. \$15,000,000
in capital construction costs
\$13,000,000
in financial costs

- Car Pool Program – Currently 120 people carpool to campus reducing the need for parking by 60 spaces.
 - Reduced Cost Bus Pass - The University has negotiated a reduced Citifare bus pass for university students, faculty, and staff. An annual bus pass normally costing \$600 is offered to students for \$65 and faculty and staff for \$100. Over 400 campus members now ride the Citifare bus to campus.
 - Shuttle Bus Service to off-campus apartment complex – Parking Services provides shuttle service to a nearby apartment complex. This service is intended to encourage students living at the off-campus location to leave their vehicles at home and ride the shuttle to campus. Approximately 350 students make use of this service daily.
 - Free Bus Service – RTC operates a free bus service, the Sierra Spirit, in the downtown area. The Parking and Transportation Services department persuaded the RTC to add a bus stop on campus and expand the hours of service to better serve the needs of the campus. Approximately 150 people per day ride the Sierra Spirit to campus instead of driving their vehicle.
 - Off-site Parking – The University has approval from Circus-Circus management to use 100 parking spaces in their garage for university employees free of charge.
- Increased efforts by the Parking and Transportation department to encourage University of Nevada, Reno students, faculty, and staff to use alternate modes of transportation to get to campus has resulted in a reduction in the number of people driving their vehicles to campus. Since 2006, 270 additional campus members are using alternate modes of transportation to get to campus. This reduced the need to construct future parking spaces on campus, saving the University \$4 million in capital construction costs. \$4,000,000 in capital construction costs
- Campus Card Program: The Campus Card Program was implemented during the 2005-2006 academic year to permit faculty, staff and students to use a single university-issued card for multiple, diverse purposes. The One Card is now used widely to access campus buildings, athletic events and recreational facilities. Major service-providers such as the ASUN Bookstore, campus food services, retail vendors in the Joe Crowley Student Union, the Student Health Center, and the Mathewson-IGT Knowledge Center and satellite libraries all accept the campus card. The One Card can also be used at Parking Services to purchase parking passes or to pay parking tickets. Currently there are approximately 28,000 campus cards in use.
- Merchants in the student union pay the university a percentage of Food Bucks and Wolf Bucks sales from transactions occurring at their businesses, thus generating additional revenue for the university. Additional university revenue is also generated through abandoned Food Bucks and Wolf Bucks accounts.

- Workers' Compensation Claims Management has strategically coordinated modified duty work assignments for several employees previously off work and being paid workers' compensation wages. This process results in increased productivity for the departments and avoids ongoing costs related to payment of workers compensation benefits. This is ongoing as we start to receive a greater than average number of claims or requests to re-open older claims based on potential employee concerns related to economic conditions and budget reductions.
- Claims Investigation and Documentation resulted in the denial of several potentially costly and long term workers' compensation claims.
- Ergonomic Workstation Evaluations: This is a procedure for implementing proper set up of work stations and providing identified ergonomic tools has resulted in improved productivity and prevented workers compensation claims (or minimized the cost of early stage claims) which minimized work flow disruptions.
- Hiring Packets On-Line: BCN HR Classified Hire Packets are now on-line for department download. Position/appointment approvals via email that include a link to the hire packet. Recruitment has included the compliance form electronically, along with essential functions. Quicker receipt and saving on paper and mail. Requesting background check reimbursement from other campuses and pre-employment drug testing reimbursement (both at UNR/NSHE and other campuses) via email. Scan several documents, letters and save electronically, instead of copy and filing. (The new copier and the scan to email feature has enabled much of this).
- On-line Verification of Academic Credentials: The utilization of the National Student Clearinghouse in order to verify academic credentials on-line. The new process reduces the time and cost associated with obtaining paper transcripts and increases timely compliance with BOR policy. It reduces the volume of paper to be collected and retained by HR.
- Implementation of Web HRMS: automates Payroll Action Forms and Terms of Employment for departments and the HR Staff. This interface increases the efficiency of human resources document processing at the University between the colleges/departments and Human Resources, and will expedite the other services associated with HRMS. Decreases processing times and eliminates errors.
- Development and Implementation of an On-line Course Registration System to support employee training (ESTER):
 - On-line registration vs. manual.
 - History of employee trainings at the click of a mouse.
 - Alignment with HRMS system to ensure consistency of information.
 - Instructors can print own documents, see number of attendees without interaction with PD&T.
 - Utilized by other training departments on campus (EH&S, IDT).
- E-Search Enhancement: E-Search is consistently enhanced to make it more user-friendly and effective for both our candidates and our internal customers.
 - This on-line system saves money by not resorting to outdated and costly paper processing, manual record keeping, and non-automated report generation.

- Added the ability for outside references to attach their reference letters to e-search. This allows the searches to continue moving quickly by gathering all of the information on-line. It also frees up time for the search coordinator so that they are not spending so much time tracking how many reference letters have been received for each candidate.
 - Continual streamlining of the on-boarding process which has allowed our new hires to begin working immediately, rather than waiting so long for their NetID's.
 - HR has actively recruited for several key positions, saving the cost of an executive recruiter.
- Web Based Grant-in-Aid Process: A Grant-in-Aid web-based application process was implemented saving time for both applicants and application processors.
 - Enhanced Compensation Processes:
 - Position Description Questionnaires (PDQ's) are now posted on-line. This saves time for departments writing a new PDQ or needing a PDQ for an evaluation and increases transparency of the process.
 - Placement Committee meeting materials circulated via web software to allow faster delivery and lessen use of paper.
 - Automated portions of UNR's responses to external market salary surveys reducing the hours required to generate.
 - Automated portions of the data analysis completed for bi-annual salary equity study reducing the hours required to generate the data.
 - Admissions and Records Graduation Application Automation: The Office of Admissions and Records processes approximately 3,500 applications for graduation annually. Students file for graduation by purchasing a graduation application. Prior to Fall 2005, the only means of obtaining this application was to pay the fee at the Cashier's Office in person or by mail. In addition, the deadline for making graduation application is the end of the late registration period of the semester of intended graduation. The late registration period of the semester is a very hectic and busy time at the Cashier's Office. Each Fall over 2,000 people stand in line to pay their fee. Each Spring another 1,500 do the same. The number of people in line and the timing of the due date resulted in a negative impact of time and resources for the Cashier's Office as well as very poor customer service to our students. Effective Fall 2005, Admissions and Records made the Graduation Application available on-line through outsourcing to College.Net, the same vendor who handles UNR's application for admission. Students apply on-line through the university's web site but are actually applying and paying for their graduation application on a secure web site within College.Net. College.Net collects the fees and sends a monthly check to Admissions and Records along with a complete list of students who have paid for their application. At approximately five minutes per transaction for 3,500 students, this automation saved the Cashier's Office over 300 hours of labor per year and improved service to students.
 - SPSS Smartviewer: On-line Analytical Processing (OLAP), cost avoidance developmental costs approximately \$300,000: As the institution has grown, data reporting has become increasingly important to the efficient management of the university. It is especially critical for institutional planning, programmatic reviews,

and accreditation process which the University will commence in 2006. One of the goals of the Institutional Research (IR) office has been to develop enhanced instant access to campus information. Using on-line analytical processing (OLAP) cubes published on SPSS Smartviewer, we can now provide on-line interactive data retrieval at the desk-top specific to the needs of academic and administrative departments. Development of the OLAP cubes originally focused on changing the way we provide existing Databook tables from static to interactive format. The new format allows for many more program-specific parameters to be included in a query. Data obtained from the cubes can be saved in an Excel format and downloaded to a departmental workstation. New cubes are continually being designed and uploaded. The SPSS Smartviewer has been developed at a very reasonable cost to the University. In-house development of the interface and the OLAP cubes has limited costs of this project to software acquisition (\$4,500) and the annual maintenance fee (\$825). We are aware of another institution that spent over \$300,000 on consulting, software, hardware, to develop a system comparable to ours.

- Comprehensive Position List: PBA and UNR HR collaborated to develop an automated process to improve the accuracy of the budgeting process and to directly upload approximately 80% of the faculty pay lines directly into the Payroll system. As part of the annual budgeting process, departments are asked to review a listing of all authorized positions regardless of fund source. Not only are departments asked to verify data fields, they also must identify specific accounts used to fund each position. Once the information is verified by the Budget Office (to assure positions were fully budgeted), the information was transferred to a web-based site for use by the departments for the development of their state and self-supporting budgets. Because we gather budget information at the account level for every position on campus, it is possible to extract that information from our database and directly upload it to Human Resource system. By electronically uploading the pay lines, we were able to eliminate nearly 3 weeks of manual data entry for the HR Office. In addition, we improved the accuracy of the data and relieved BCN Payroll of having to verify the data received from HR.

Since its initial implementation, Human Resources (HR) and Planning, Budget and Analysis (PBA) are developing a program that will automate and combine HR's annual faculty contract renewal process with PBA's fiscal year salary budgeting process. This program allows the Deans/Divisions to submit contractual changes and account line budgeting at the same time via a secure website. The information drops into a database that can be accessed by HR and PBA. The process eliminates duplication of effort by all parties, avoids manual data entry and insures data consistency between HR and PBA. The program speeds processing time and saves hours of manual entry.

- Paperless processing for transactions less than \$2,000: A key goal of the strategic planning process is to transition the university to a paperless environment as rapidly and efficiently as possible. Accordingly, the University of Nevada, Reno directed all campus departments to use purchasing cards for all small dollar transactions effective April 1, 2002. Purchasing card transactions are processed electronically at the point of purchase and uploaded on a bi-monthly basis into the university's financial accounting system. Cardholders are able to review and edit transactions on-line prior to charges being recorded against accounts. Currently the university

electronically processes approximately 9,000 purchasing card transactions totaling \$1.9 million in charges per month. The purchasing card activity is administered by a manager and four classified staff.

- Implementation of the purchasing card has also resulted in a more efficient travel process because faculty and staff who travel on university business can now pay for airline tickets and conference registration fees with the purchasing card. This saves time and effort in booking, paying for and processing travel-related activity. The on-line travel forms have been updated to reflect this capability.
- Implementation of the purchasing card continues to result in significant efficiencies and manpower savings within the Accounts Payable office. Significant benefits associated with the implementation of the purchasing card include:
 - Reduced number of transactions entered manually into the university financial accounting system.
 - Reduced number of checks issued by the university.
 - Reduced postage expense associated with mailing checks.
 - More timely and accurate financial information.
 - One administrative faculty position and one classified processor position were eliminated in FY08 due in part to the efficiencies realized from continued processing of transactions through the purchasing card program.
- Self-supporting budget process automated: The University of Nevada, Reno has nearly 400 budgeted self-supporting accounts that must be submitted to the Regents per Board policy. Virtually every department on campus prepares at least one self-supporting budget, and expenditures from these accounts total more than \$100 million annually.

In order to reduce the time and effort associated with the preparation of self-supporting budgets, Planning, Budget and Analysis developed an Excel spreadsheet file accessible to departments via the university web site. The file includes a series of linked worksheets that roll forward to revenue and expenditure summaries. There are individual worksheets for professional and classified salaries, as well as for the operating expenditures. Imbedded in the worksheets are grade and step tables, longevity calculations, employee/employer fringe benefit rates, shift differential, and operating object codes. Individuals preparing the budget(s) supply basic input information, and the self-supporting budget file formulas perform the calculations. The file also identifies revenue and/or expenditure categories that increase or decrease by more than 10% and requires an explanation of the variance.

The self-supporting budget file has significantly reduced the time departmental staff spend developing self-supporting budgets. At the same time, the university has experienced improved accuracy and consistency of information submitted to the Board of Regents.

- Purchasing: Purchasing is scanning all purchase orders and associated back-up into a centralized data base, allowing Accounts Payable and internal and external auditors to access the materials on-line, thus streamlining the process and reducing the use of paper copies. Purchasing has also adopted a “team” buying concept

which reduces processing time for purchase orders and bids.

- Fixed asset limits: The limit for tracking fixed assets was increased from \$2,000 to \$5,000 resulting in work effort cost-savings and greater efficiency.
- Bar Code Scanning: The central receiving function uses hand-held scanners with small keyboards to scan and record every package delivered to the university. The scanned information is downloaded to a data base creating a permanent record of initial receipt and subsequent campus delivery. The bar code system substantially improves inventory control and accountability. A recent upgrade allows end-users to directly track their own packages on-line.
- The University Police department has applied for and received several grants that have substantially upgraded operations at no cost to the university. Examples include:
 - Department of Emergency Management grant for \$39,136 for GPS mapping of university properties.
 - Department of Emergency Management grant for \$26,363 for the addition of telescoping camera and cell phone system in the Mobile Command Post. The Mobile Command Post was acquired from the Washoe County Sheriff's Office and has been renovated for an Incident Command Center. The vehicle was gifted to the university and grants totaling \$41,028 have been received for upgrades to the unit.
 - Nevada Attorney General's Office grant was awarded in the amount of \$33,000 to host Domestic Violence, Sexual Assault and Stalking Investigations training for northern Nevada police agencies. The funds provided training for 450 participants from 38 agencies.
 - Department of Emergency Management grant for \$27,000 for walk-through metal detectors for use at event venues.
 - Nevada Office of Criminal Justice Assistance grant for \$8,626 for bulletproof vest replacement.
 - Department of Public Safety grant for \$8,100 for speed monitoring devices and traffic enforcement activities.
 - Northern Nevada DUI Task Force grant for \$3,625 for educational materials for pedestrian and traffic safety.
- Annual Permit System: In cooperation with the State Public Works Board (SPWB), the Facilities Services department implemented an annual permit program for projects under \$100,000. This will eliminate submitting plans and getting permits for these smaller capital projects.
- Electronic Drawing Files: The Facilities Services department digitized over 22,000 campus drawings in 2007 and made them available to staff via server access and via the web. Staff can access and view drawings without searching paper drawing files and making prints.
- Enterprise Road Realignment: The University was able to obtain free, clean, compacted fill to grade the former wetlands along Enterprise Road. This has created the rough grading needed for future buildings. The majority of this fill came from

other campus construction projects and that material did not have to be trucked off campus by the contractors. The Center for Molecular Medicine project is already benefiting from this grading.

- Updated and Indexed Design and Construction Standards: The University's Facilities Design and Construction Standards were updated in 2007 and 2008 and made searchable via the department's homepage. This enables University employees and consultants to access and print standards directly from the web, eliminating the need for hard copies of the standards to be made and distributed. The estimated savings for this new service is \$10,000 annually.
- Facilities Services Cost Avoidance Measures
 - Upgraded custodial equipment to improve restroom cleaning of fixtures, floors and tile for a more sanitized environment and to raise health standards.
 - Developed a Custodial Restroom Physical Improvement (R.P.I.) check list for preventative maintenance resulting in faster and upgraded repairs.
 - Outsourced window cleaning.
 - Initiated a Canadian Geese Management Plan to provide a safe and humane method of collecting and releasing Canadian geese into a Wildlife Management area reducing the time grounds personnel devote to waste removal.

Costs Avoidance Savings \$56,697,000

<u>On-Going Cost Savings</u>	\$4,316,807
<u>Cost Avoidance Savings</u>	\$56,697,000
<u>Grand Total Savings</u>	\$61,013,807

<u>FY 2009 Operating*</u>	\$279,101,635
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<u>On-Going Savings as Percent of Total Budget</u>	1.5%
<u>Grand Total Savings as Percent of Total Budget</u>	21.9%

*UNR state appropriated budget less general fund reductions and other revenue adjustments

Appendix

• **Budget Reductions FY 2008 and FY 2009**

- The University of Nevada, Reno and its affiliated appropriation areas - the University of Nevada School of Medicine, Intercollegiate Athletics, Agricultural Experiment Station, Cooperative Extension Service, Statewide Programs, Business Center North, and State Health Laboratory – have experienced general fund budget reductions totaling \$8 million for fiscal 2008, and \$16 million for fiscal 2009. In addition, the university has been instructed to plan for reductions of 14.12 percent amounting to \$31 million due to reduced general fund revenue projections for the next biennium.

In his report to the Board of Regents dated January 2, 2008, President Glick identified the criteria that would guide budget management for this and the subsequent biennia. These criteria include:

- The University will strive to protect its core missions of instruction and research.
 - Sheltering the academic and research functions necessarily means that reductions will be distributed disproportionately and that certain areas, certain appropriations, will absorb a greater share of the overall reduction.
 - The reductions ... are strategic reductions rather than across-the-board cuts.
- To date, the university has identified base budget reductions totaling nearly \$24 million or 11% of its Fiscal 2009 general fund appropriation. These reductions have been painful and have resulted in the down-sizing or outright elimination of many programs. Approximately 140 state-funded positions have been, or will be, eliminated as a result of notices of non-reappointment, buy-outs, or programmatic reduction. The impacts of these reductions have been felt across campus. A list of impacted departments, centers and programs is shown below. This list is extensive, in keeping with the magnitude of the potential reductions, but it is not yet complete. The university must make additional reductions to reach the 14.12 percent target.
 - Applied Research Initiative*
 - Mining Engineering (transfer of expenses to funds provided by mining claim surcharges)
 - Equestrian Program*
 - Marketing and Communications
 - Excellence in Teaching*
 - Campus Recreation
 - Child and Family Research Center
 - Center for Ethics and Health Policy
 - Marching Band
 - Writing Center*
 - Math Center*
 - Human Resources – Training and Development*
 - Career Development*
 - Greek Life*

- Student Success – Parents Program*
- Oral History
- Northern Nevada Writing Project
- Learning Resource Center
- Basque Studies
- Women’s Studies
- Center for Holocaust, Genocide and Peace Studies*
- Latino Research Center
- Continuing Education/Extended Studies
- Research and Educational Planning Center
- Gerontology/Geriatrics Program
- Academy for the Environment
- Institute for the Study of Gambling and Commercial Gaming
- Cancer Research Program
- Engineering Research and Development Center*
- Nevada Bureau of Mines and Geology
- Nevada Seismological Laboratory
- Center for Learning and Literacy
- Raggio Research Center for STEM Education (Science Technology, Engineering, Mathematics)
- Center for the Application of Substance Abuse Technologies

*Programs/services targeted for elimination

Nevada State College

Total reduction and efficiency improvements:	\$3,766,416
Percent savings of FY 2009 operating budget:	17.4%
FY 2009 legislatively approved operating budget:	\$21,591,514

NEVADA STATE COLLEGE

BUDGET EFFICIENCIES REPORT

Context:

- Over the last two decades, approximately 40 public, four-year higher education institutions (HEI) have been established “from scratch” in the United States.
- Given the relatively small number of recent public HEI startups, very few groups (i.e., private industry, academics, legislators, public officials, etc.) realize the budgetary challenges and organizational needs associated with developing a stand alone institution.
- As a public HEI startup, Nevada State College has experienced a greater degree of budgetary challenges and under capitalization (i.e., inadequate operational and capital funding) than any other recent public HEI startup.
- Consider the following comparison between California State University (CSU) Channel Islands (California’s 23rd state university) and Nevada State College (Nevada’s 1st state college). Both institutions opened in 2002. Both institutions are similar in terms of mission, purpose, and objectives.
- California has appropriated from its general fund \$230 million to CSU Channel Islands through FY 2008. Nevada has appropriated from its general fund \$52 million through FY 2008, or, stated differently, **one-fifth** of what California has spent to develop a comparable institution.
- California has almost spent as much in operating on CSU Channel Islands during the institution’s **pre-opening period** (a total of \$38 million from FY 01 through FY 02) than Nevada has spent in operations on Nevada State College during its **entire existence** (a total of \$52 million from FY 03 through FY 08).
- Despite the significant difference in funding between these two institutions, Nevada State College has a significantly lower cost per alumnus (cumulative operating budget / cumulative number of graduates). Nevada State College spends roughly **\$67,000 per graduate** compared to CSU Channel Islands’ **\$114,000 per graduate**. In terms of spending, Nevada State College graduates two students for every one student that CSU Channel Islands graduates.
- In terms of efficiency, consider the number of students Nevada State College (or any other NSHE institution) could graduate if it had the same level of funding as CSU Channel Islands. Nevada’s workforce, as a whole, would significantly improve in terms of productivity.

INSTUTIONAL EFFORTS BY AREA TO ENHANCE OPERATIONAL EFFICIENCIES

Personnel:

- Delayed filling 13 staff positions included in the fiscal 07-08 budget.

Cost Savings: \$1,014,000

- Closed the following four academic and faculty support centers: Center for Community- Based Learning, the Center for Teaching and Learning Excellence, and the Applied Science and Fine Arts programs, which resulted in the abolishment of eight (8) positions and the restructuring of directors from 14 positions to 5.

Cost Savings: \$624,000

Business Operations:

- Implemented purchasing cards for routine expenditures less than \$2000. Administrative expenses have been reduced, and shipment of goods has been reduced from 7-10 days to 2 days. Vendors are now paid within three working days of transaction; the number of transactions manually entered into the accounting system has been reduced by 7.6%; the number of checks issued by the college has been reduced by 36.1%; postage has been reduced by 33.7%; and more timely and accurate information is now available.

Cost Savings: \$30,000

- Decentralized the creation of purchase requisitions allowing for better control and monitoring and reducing duplication.

Cost Savings: \$9,000

- Decentralized accounts payable verification eliminating errors and confusion. Eliminated one position and reassigned one position due to the above improvements. Savings were utilized to meet other campus needs.

Cost Savings: \$100,000

- Partnered with the UNR ASUN Bookstore to allow access to an inventory control system.

Cost Savings: \$40,000

- Received surplus point-of-sale equipment from UNR that was compatible with current inventory control system.

Cost Savings: \$50,000**Registrar & Admissions:**

- Since 2002, the College of Southern Nevada has performed Nevada State College's bursar function.

Cost Savings: \$455,000**Facilities:**

- Outsourced janitorial services to a third party.

Cost Savings: \$58,000

- Outsourced electrical and air conditioning maintenance.

Cost Savings: \$158,588

- Closed Jensen Building through office consolidation.

Cost Savings: \$16,000**Information Technology:**

- Implementation of a voice over IP (VoIP) solution for campus-wide telecommunications. This allows NSC to provide telephone service via existing data lines with much improved expandability and manageability. The cost savings listed below merely reflects a savings in operational costs by eliminating

3rd party contracts for service and updates. What is difficult to show is the amount of cost savings involved in reducing the amount of infrastructure cabling required for new/existing buildings.

Cost Savings: \$15,680

- Partnered with UNLV to form the Nevada Learning Network consortium which provides services for technology mediated instruction. This consortium primarily functions to implement and support a course management system that supports all partnered institutions. This has allowed NSC to share resources for its WebCampus online course management system as well as obtain discounted pricing for licensing and services related to instructional technology.

Cost Savings: \$695,228

- Implemented a home-grown ticketing system for the Computing Support Center. This system provides prioritization and work order tracking for all computing requests and has saved NSC money as it was free to implement and use.

Cost Savings: 21,600

- Implemented a wireless microwave solution to provide a redundant Internet connection between Nevada State College and System Computing Services. This solution requires no monthly lease fees and provides a 14Mb/s backup connection for the entire campus.

Cost Savings: \$36,000

- Outsourced phone and online support for our WebCampus course management system to Presidium. This has allowed our existing staff to focus on other IT support issues while providing faculty and students with 24x7 services.

Cost Savings: \$177,000

- Worked with the City of Henderson to develop a conduit pathway between two of our major facilities. This allowed NSC to create its own fiber optic pathway for data and telecommunications, thus eliminating lease costs that would be required to provide service between these sites.

Cost Savings: \$118,320

- Implemented a virtual server environment utilizing VMWare Infrastructure and ESX Server products. This technology allows for hosting multiple servers on one physical piece of hardware which provides more efficient use of resources in addition to added disaster recovery and fail-over features. By implementing this

at NSC, we were able to consolidate what would have taken 27 physical servers onto just 13 machines.

Cost Savings: \$148,000

TOTAL COST SAVINGS (ALL UNITS): **\$3,766,416**

These total savings are equal to 17.4% of the total current operating budget.

Desert Research Institute

Total reduction and efficiency improvements: \$4,300,000

Percent savings of FY 2009 operating budget: 41.8%

FY 2009 legislatively approved operating budget: \$10,288,095

(DRI receives about 59% of its total operating budget from non-state sources)

**DRI Cost Containment and Reallocation, Organizational Redesign, Resource Development
and Mandatory State Reductions
Fiscal Years 2007-2009**

To ensure its long-term viability, DRI has always aspired to achieve a balanced and sustainable level of resource growth that is coupled with a realistic set of expenditure strategies that emphasize both efficiency and effectiveness. Well before the current State fiscal challenges had manifested, DRI had implemented a variety of cost containment, reallocation and organizational redesign strategies to achieve these outcomes. ***For example, over the past three fiscal years, DRI has implemented and accrued budget savings that total nearly \$4.3 million.*** For comparative purposes, ***these savings and reallocations represent about 42% of our fiscal year 2009 state funding for operations.*** This was accomplished through cost reduction strategies that are discussed below. DRI also initiated a major reallocation/organizational redesign process and an organizational restructuring that have resulted in significant enhancements to both operating efficiencies and effectiveness. The cumulative impact of these measures made it possible for DRI to increase its research volume at levels much greater than its budget increases during this time period. Also discussed are the DRI responses to the mandatory state budget reductions.

Fiscal Year 2007

Cost Containment

For fiscal year 2007, DRI increased its total state and other funded operating budget by only 3.5%. This was done by limiting our increases to mandatory increases that reflected actual prior fiscal year expenditures. In addition to these budgetary actions, DRI implemented an expanded budget development and monitoring process that helps ensure a more effective and efficient allocation of resources. DRI also initiated a number of specific cost containment strategies that included:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| ○ Implementing virtual flat overall travel budgets when compared to FY06, reducing travel expenditures where possible saved \$23,624; | \$23,624 |
| ○ Not filling the Vice President for Government and Business Relations (VPGBR) position and reallocating some of these budget resources to other areas that saved about \$250,000; | 250,000 |
| ○ Not filling one 0.5 FTE position and reducing another position to 0.5 FTE in the facilities area that saved over \$40,000; | 40,000 |
| ○ Reallocating about \$300,000 in faculty support dollars in those areas that were not utilized in FY06 to the Faculty Senate support initiative and to other mandatory increases; | 300,000 |
| ○ Reducing (for one year only) the Division allocation percentage to 34.8% that reallocated over \$200,000; | 200,000 |
| ○ Generating an additional \$1.1 million in administrative savings during the fiscal year by not filling several key positions and by reducing or delaying some maintenance and operational functions; | \$1,100,000 |
| | Total = \$1,900,000 |

Savings or reallocations from these actions totaled over \$1.9 million.

Reallocation/Organizational Redesign

As a major component of the DRI efficiency and effectiveness strategy, a Reallocation/Organizational Redesign process was implemented in fiscal year 2007, and completed in fiscal year 2008. This group consisted of faculty, staff and administrators. Their charge was to conduct reviews of key functional and cost center areas through a review process to help ensure that DRI is approaching these areas in the most effective and cost-efficient manner. Included in this review process was the exploration of alternative models that were compared and contrasted with the existing approach via a set of feasibility reports. As the group completed its activities in fiscal year 2008, the outcomes of this group process will be discussed as part of the fiscal year 2008 overview.

To enhance operational efficiencies, President Wells also reorganized the senior-level administrative structure of DRI in fiscal year 2007. In doing so, he re-assigned new duties to the former Vice President of Research position, changing it to the Executive Vice President for Research. In response to feedback from the Regents, this position was redesigned to provide a second-in-command (i.e., provost) position with a greatly expanded administrative role that included supervisory responsibility for the three research divisions. The Vice President for Finance and Administration position was also redesigned to the senior level and was assigned major increases in operational responsibilities that included information services and the DRI Research Park. In addition to providing for improved operating efficiencies, a major purpose of this reorganization was to provide the President with greater operational support so that he would have greater time opportunities for external fund raising.

Fiscal Year 2008

Cost Containment

In fiscal year 2008, DRI increased its overall operating budget by only 5.5%, while research volume (sponsored research and total revenue) grew by about 9% and 17%, respectively, between FY05 and FY08. In addition, major administrative cost containment efforts in fiscal year 2008 included:

- Not filling the public information officer and executive assistant to the President (Las Vegas) positions; utilizing a part-time contracted position to cover the SRO pre-award legal functions; utilizing an existing staff member to manage the SRO post-award function; delay filling the institutional advancement vice president position until at least January 2008; continuing to leave vacant the VPGBR position (this position was also not filled in FY 2007); these actions saved nearly \$415,000; \$415,000
 - A savings of \$100,000 in the information technology area and a \$50,000 reduction in operation and maintenance costs in the facilities area for a total savings of \$150,000; 150,000
 - Reducing funding for the Technology Transfer Office for FY 2008 by \$94,510, or 42.9%, with the intention to review the activities of the office over this fiscal year; 94,510
 - Other planned reductions in administrative costs that netted \$210,456 in cost savings; 210,456
 - Generating an additional \$1.2 million in administrative savings during the fiscal year by not filling or delaying the filling of positions and by carefully monitoring expenditures. \$1,200,000
- Total = \$1,975,456**

Savings or reallocations from these actions totaled about \$1.97 million.

Reallocation/Organizational Redesign

The reallocation/organizational redesign process that began in fiscal year 2007 focused on six key areas of the Institute, which were:

- Divisional ICR allocation model
- Facility costs, including debt service and operation and maintenance costs
- Information Technology
- Institutional Advancement
- Interdisciplinary Science Centers
- Technology transfer

While there were a number of key findings and outcomes from the various reports that have non-fiscal implications for the DRI, the following outcomes of the process have immediate or long-term budgetary significance:

- (1) DRI has begun a major refocus of the Institutional Advancement area toward fund raising, and a significant reorganization of the Institutional Advancement area into an true development office;
- (2) the reallocation/organizational redesign process was instrumental in the decision to reduce funding for the Technology Transfer Office for this fiscal year by \$94,510;
- (3) as part of the Information Technology reallocation report, the interim CIO presented his plans for significant changes in the role and the organizational and governance structures of the information technology area; included in the FY 2008 IT budget is a \$100,000 reduction for personal services - this budget reduction reflects anticipated savings due to outsourcing all application development, which was a recommendation made in the IT reallocation report;
- (4) based on the findings of the related report, there is an ongoing discussion of possible changes to the current Divisional allocation model.

Fiscal Year 2009

Cost Containment

Major administrative cost-containment efforts in fiscal year 2009 include:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| ○ continuing not to fill the executive assistant to the President (Las Vegas) position that saved about \$73,000; | \$73,000 |
| ○ not filling two vacant vice presidential positions and, instead, combining key elements of the Vice President for Government and Business Relations (VPGBR) and Vice President for Academic Affairs position (VPAA) into a single interim position, the Vice President for Academic and Business Development that saved over 173,000; | 173,000 |
| ○ not filling the Director of Facilities position, and returning part of this salary line to the state to meet the mandatory reduction requirements that saved about \$95,000; | 95,000 |
| ○ reducing the administrative contingency allowance by \$46,679 to help offset other cost increases; | 46,679 |
| ○ reducing the contingency equipment replacement budget by \$39,000. | <u>\$39,000</u> |

Total \$426,679

Savings or reallocations from these planned actions total over \$426,000. In addition, DRI continues to utilize an existing staff member on a part-time basis to manage the sponsored research and compliance function, and we offset the cost of positions refilled in fiscal year 2009 with other salary reductions and reallocations. As DRI continues to carefully monitor expenditures and to encourage the frugal and strategic spending of administrative resources, it is certain that additional savings will be generated throughout this fiscal year.

Resource Development and Administrative Efficiencies

In moving forward with the outcomes of the reallocation/organizational redesign process of the prior fiscal years, the Institutional Advancement Office was restructured into the Office of Development. In July, 2008 Mr. Russel Kost was permanently hired as the Vice President for Development.

A major emphasis of the newly created interim Vice President for Academic and Business Development is to build additional resources through public-private partnerships for existing and developing research programs.

The Chair of the DRI Research Foundation donated \$50,000 per year over two years to help pay for the DRI Public Information Officer position.

The Division Executive Directors volunteered to reduce the divisional allocation percentage by one percentage point, to 35.5%, in order to pay for \$136,000 of the \$300,000 allocated to the new project management and timesheet software. This new software has the potential to greatly increase administrative efficiencies by automating the time-sheet reporting process and by allowing for the generation of key reports. When fully implemented this fiscal year, this software will also effectively solve issues reported in the most recent internal audit of the Human Resources area.

Mandatory State Funding Reductions

As with all NSHE institutions, DRI was required to make state funding reductions in fiscal year 2008 that totaled \$364,000 and two sets of reductions in fiscal year 2009 that totaled \$683,005. When considering its state funding reduction options, DRI has made a concerted effort to preserve critical operations that maintain viability and to emphasize as its highest priority the protection of research quality and self-funding revenue streams. The items and areas chosen for reduction in both fiscal years 2008 and 2009 and the anticipated reductions in the next biennium reflect this strategy.

The fiscal year 2008 reductions were met by returning \$364,000 in funding for the new CRV Building. The fiscal year 2009 reductions included the following:

- \$224,575 for state Retirement Retired Employee Group Insurance Assessment (REGIA), general insurance and property insurance funding;
- \$23,922 in state-funded merit;
- \$100,000 in Higher Education Capital Construction (HECC) funding;
- \$165,000 in state-funded Divisional and Administrative operating and equipment budgets;
- \$169,508 in state funding for the Director of Facilities and VPAFS positions.

While the final mandatory state reduction targets for FY 2010 and FY 2011 will not likely be known until next year, the State Budget Office requested that all state agencies provide reductions to meet a 14.12% target in operating budgets for each of these fiscal years. Since then, the Governor has submitted his recommended budgets for the state and higher education, including DRI. While senior administration is working with the Faculty Senate and their leadership and through the President's Cabinet and Executive Staff to determine what any final reductions would be, options that are being

considered include the state-funded cloud seeding program, state ARI funding, state funding for the DRI research library, and a variety of other operational and staffing reductions.

As shown in this document, DRI has made significant and numerous fiscal efficiency and effectiveness enhancements well prior to the mandatory state reductions. We made these difficult decisions in the context of a level of state funding that allowed us to maintain quality and be competitive both nationally and internationally. However, the combined impact of the prior and proposed mandatory state reductions and our own cost containment efforts will significantly hamper our effectiveness, our competitiveness and our overall reputation.

College of Southern Nevada

Total reduction and efficiency improvements:	\$5,488,256
Percent savings of FY 2009 operating budget:	4.1%
FY 2009 legislatively approved operating budget:	\$132,475,638



The College of Southern Nevada has generated cost savings during the current fiscal year of approximately \$2,706,643. In addition during the fiscal years FY 2006-2008 savings in excess of \$2,781,613 was identified. CSN's legislative approved operating budget for FY 2008-09 was initially established at \$132,475,638 this equates to just over 4% savings over the past several years.

Important to note, in FY 2007-08 and the current fiscal year FY 2008-09 CSN has experienced significant enrollment increases that have further strained institutional resources. While state support has been reduced during the past years CSN is nearing 15.5% enrollment increases. CSN's historic and significant funding shortfall has placed greater strain on institutional services and students bear the pressure of limited course offerings, increased class size, and limits on services and support mechanisms.

With double digit enrollment growth, inadequate funding for an institution of its size and complexity, and reductions in operating support, operational efficiencies are essential and a way of life at CSN. As the economy has been hard hit students are showing up in record numbers to retrain, learn new skills, or continue academic progress of degree and certificate programs. The College continues to be challenged in meeting the educational needs and corresponding support services for a large student population. Again, CSN has historically operated with limited financial resources and as a result the need to continually assess efficiencies is vital.

Provided below please find various efficiencies and cost saving measures implemented during the current fiscal year FY 2008-09:

1. Consolidation of administrative responsibilities: administrative management and positions have been reduced with duties and responsibilities realigned within the organization in an effort to reduce overhead expenses. Savings realized through elimination of positions and administrative improvements have been redirected to meet the needs of instructional, student support, and academic operations. This includes providing the ability to meet the demand for increased course offerings and operating funds in support of student enrollment increases, provide for essential library support and academic program needs, and provide for essential support for students in advising, disabled student support, and financial aid oversight and coordination.

Estimated annualized cost savings: \$288,147

2. Discontinuation of leased facilities: CSN discontinued facility rental in two specific locations effective July 1, 2009. These lease cancellations which included office space located across from UNLV to house faculty that supported a CSN remediation program. The College also discontinued a lease for classroom and specialized lab space in the Henderson Business Resource facility.

Estimated annualized cost savings: \$50,948

3. Streamline departmental structure: through a comprehensive assessment and review of departmental activities CSN implemented a restructure in various academic, student, and institutional support areas. Through the restructuring savings have been realized and those savings have been redirected to address resource shortfalls in instructional, student services, and operations & maintenance areas of the institution.

Estimated annualized cost savings: \$125,000

4. Improvements in facility infrastructure: CSN completed a critical replacement of the HVAC system in the C building at the Charleston Campus. The new HVAC units that were installed are more efficient and will yield cost savings through the initiation of controls, an effective balance of functionality of the units, and more efficient maintenance accessible units. Cost savings will not be quantified for an anticipated 12 months for comparison purposes but a projection is provided for your information and use:

Estimated annualized cost savings: \$25,000

5. Renegotiated contract costs for savings: CSN renegotiated contractual leases for printing and copying, and through these negotiations was able to achieve notable savings.

Annualized cost savings: \$84,000

6. Facility support improvements: specialization of tasks and function has been deployed in the janitorial operations of the institution. Through initiation of time/tasks studies, standardization of equipment, chemical usage, and distribution systems for cleaning materials and chemicals has yielded efficiencies.

Annualized cost savings: \$42,000

7. Discontinuation of payroll statements mailings for employees: CSN has discontinued the distribution of payroll statements to employee homes. Employees may access the advices through the self-service employee portal established through the payroll functions.

Annualized cost savings: \$7,000

8. Information Technology: through negotiations with software vendors, identification of costs savings for replacement materials and extension of equipment life cycle through staff improvements CSN has developed costs savings.

Annualized cost savings: \$417,480

9. Campus generated savings to address unfunded expenditures: CSN currently has a utility budget shortfall of \$1,000,000. This has required the campus to reallocate funding that would traditionally be utilized to support campus operations and activities.

Savings generated to address unfunded utilities: \$1,000,000

10. Site and Center Closures: in anticipation of projected reductions that may be realized in the coming biennium CSN has announced the closure of six sites and centers within southern Nevada. The closure of these locations will directly impact access to students the locations include Boulder City, Moapa, Lincoln County, Latin Chamber, Sahara West Center, and the AD Guy Center.

Projected costs savings to be realized: \$667,068

Total Cost Savings Measures for FY 2008-09: \$2,706,643

Savings identified to the Board of Regents through the annual Efficiency Reports provided to the Board of Regents during the period 2005-2007 included:

Reporting Period	Description	Savings Amount
FY 2005-06	Improvements in utility utilization, and contracts with supply vendors and associated campus operations.	\$440,000
FY 2006-07	Improvements in operational activities and operating costs and expenditures. Including technology improvements in maintenance	\$1,055,000

	agreements; implementation of on-line services to reduce staff time and processing; energy efficiencies through improved lighting features, utility savings, and power generator improvements.	
FY 2007-08	Technology improvements in maintenance agreements, upgrades in technology equipment, and	\$1,286,613

CSN has realized budgetary reductions during the period of 2007-09. These reductions have occurred at a time when the campus has realized unprecedented growth. Provided below and on the accompanying pages are the reduction plans that were implemented in response to the reductions imposed by Governor Gibbons.

College of Southern Nevada Budget Reduction Plan

January 3, 2008-Revised

CSN's fiscal condition, assessed prior to developing this plan, includes the following:

Item	Amount	Comment
Increase of 7.5% in FTE; 5% higher than budgeted	(Unfunded)	High demand with constrained budget. Enrollments at CSN above budgeted level.
Hold Harmless and redirection of retained student fees	(\$1.5 million)	Unfunded hold harmless funding and legislature's redirection of student fees that would have been retained by the campus.
Excess tuition collection--resident	\$1.5 million	Projected for the academic year
Excess tuition collection—non-resident	\$280,000	Projected for the academic year—Needs IFC action.
Operating Budget Shortfalls “over cuts” to meet institutional operating needs.	(\$221,000 \$550,000 \$225,000 \$15,000 \$210,000 \$135,000 \$6,000 \$10,000 \$15,000 \$14,000) (\$1,381,300)	Apprenticeship – enrollment growth Electric/Gas budget shortfall Disabled Students support Catalog/Schedule printing Software licensing Hardware maintenance agreements Institutional memberships Merchant fees Sewer/Disposal; water; telephones Grants-in-aid
Funding equity (AB 203) handicap	(\$20 million)	Part of CSN's budget request for 2009-2011 with introduction of an implementation strategy.

Many of the above items appear in the Budget Reduction Plan and its financial schedules as CSN “over cuts” to meet urgent needs. Deferred maintenance items, including the mechanical system replacements, restrict the flexibility of HECC funding since the work will be required before next fall semester.

CSN continues its efforts to cope with growth and diversity while being funded at a subsistence level.

Strategies for a 4.5% General Fund Reduction, 2007-09 Biennium.

The implementation strategy reduces more than \$8,677,305 over the biennium. Assumptions used in addressing the reduction include, 1) cutting operating budgets, 2) implementing operational efficiencies, 3) delaying or canceling hiring of replacement staff, 4) adopting a student surcharge, 5) deferring merit for professional staff in the 2008-09 fiscal year, 6) using (one-time) HECC appropriations, and 7) using excess student fee collections in excess of the budgetary levels in FY 2007-08.

CSN experienced a spike in enrollment levels during the Fall 2007 semester. Actual enrollments are in excess of 5% above budgeted levels provided through the funding formula. Spring enrollments are unknown at this time due to the nature of registration trends, but historical spring-to-fall ratios provide initial analysis for the current fiscal year. Conservatively, CSN projects annualized enrollments to yield excess student fee collections above the budgeted level, and those revenues will offset a portion of the general fund reduction.

Each source of revenue and expenditure reduction that is proposed at CSN is detailed below:

Operating Budget Savings:

To balance expenditure reductions in the first year, operating cuts will be implemented. These cuts include reduction in departmental operating expenditures, reduction of in-state travel and mileage, reduction in library acquisitions, scholarship reductions, and elimination of leases for the Henderson Business Resource Center and a review of the Tropicana/UNLV lease.

Reductions in operating budget expenditures for the first year of the biennium are being identified in an effort to preserve the base operating budget in the second year of the biennium. Reductions outlined in the areas of Scholarships, Library Acquisitions, and Departmental support will be offset to the greatest extent possible by one-time funding distributed to the campus from the Investment pool. The operating reductions reflect an additional \$2.5 million above the unfunded "hold harmless" of \$1 million not supported in the CSN operating budget and an additional \$1.3 million for operating budget shortfalls in specific areas.

Operational Efficiencies

As AB 203 concluded, CSN has traditionally implemented efficiencies and streamlined operations to address basic service needs. Hence, its budget is one of subsistence only: The campus has limited funding available to support its student population. The ability to redirect resources, defer activity, and reduce support for programs and services has been implemented and has stretched the institution to its full extent. Any additional reductions in support would require the campus to further reduce site operations and access to students. CSN's position is that in order to effectively provide quality programs and services that students must have, the College must have minimal infrastructure in staffing, faculty, and resources. Operating budgets are already at meager levels; these additional cuts will be challenging for CSN. *We are forced to look toward one-time revenue allocations to address these reductions but will be unable to support these items after this current year and will be unable to meet additional reductions if necessary.*

Freezing Position Vacancies

A “soft” freeze has been implemented which requires each request to fill a replacement position to be thoroughly justified and reviewed by the President. Executive vacancies are not being refilled. The consequence of this freeze is strained operations and staff burn-out, but CSN has no other options without excessive burdens on students.

Student Surcharge:

A student surcharge is proposed for implementation beginning fall 2008, and this strategy will require approval of the Board of Regents. CSN proposes that the Board approve a range for a per unit fee (with a report back to the Board) which would provide the opportunity to address specific needs and as necessary modify the rate to address student needs. This will assist CSN should additional reductions be imposed or if revenues are not achieved as anticipated through excess student fee collections.

For the second year of the biennium, enrollment projections are estimated at a modest level of 3.5% over the 2007-08 projected enrollments. Actual enrollment levels as a result of spring 2008 will influence the 2008-09 projections. Based on this assumption, the fall 2008 FTE is projected at 20,403, spring 2009 at 19,760 for an annualized enrollment of 20,082. The per credit hour student surcharge revenue collections would yield:

Fee Level Recommended:	Surcharge of \$2.50	Surcharge of \$3.00	Surcharge of \$4.00	Surcharge of \$4.50
Revenue Projection	\$1,506,112	\$1,807,335	\$2,409,780	\$2,711,017

CSN recommends implementation of \$4.50 per credit hour for FY 2008-09, for revenue of \$2,711,017.

While the campus has secured the support of our student body leadership to impose a student surcharge, we know that the greatest barrier for students in higher education, in particular community colleges, is the cost of education. We must find ways to ensure that by imposing a student surcharge we do not limit or shut out access for those that need it the most. In the current fiscal climate this goal may be impossible.

Merit Deferral:

The deferral of merit award for professional staff would result in an approximate savings during the FY 2008-09 period of \$605,781. Effective July 1, 2008, this would represent merit deferral for professional employee staff only. (Classified employees are under the personnel system of the State of Nevada and any deferral of merit would have to be imposed by State Personnel.)

As the institutions prepare for the 2009-2011 biennium, discussions would need to occur to ensure that the full merit award is captured for purposes of building the biennial request to ensure full cost-of-living, merit, and fringe benefit costs are included in the biennial budget request. In addition, for the purposes of determining cost-of-living fund draws for FY 2008-09 a review of the process utilized and the methodology for calculation purposes would need to be addressed to ensure that the campuses are not further harmed by limiting the availability of the funds subject to reconciliation with the Board of Examiners.

HECC/Deferred Maintenance:

As a risky, short-term solution, funding provided through General Fund appropriations for deferred maintenance activities can be reallocated for operating support. (Deferred maintenance projects including air conditioning, heating, electrical, and safety items are ongoing and critical to the campus.) CSN has urgent maintenance items that need to be addressed, and this urgency limits the flexibility of HECC funding. What HECC funding is in the plan of finance is only a short term solution and can only be accomplished on a limited basis. It is important to note that for CSN any reductions that the System Office may be able to offset from “system-wide funding” to reduce the impact on the campuses of the 4.5%, CSN would first replenish HECC funding back to original purposes. Further, CSN proposes utilizing HECC funding during the second year of the biennium in order to safeguard the 2009-2011 biennial budget.

Excess Student Fee Collections:

Fall 2007 enrollment has exceeded budgetary levels by over 5%. Should spring revenue collections be consistent with prior fiscal years, the campus projects excess student fee collection. The excess student fee collection has been projected for the current fiscal year only, and will assist in offsetting a general fund shortfall. At this time, CSN projects an excess student fee collection of \$1.7M for FY 2007-08. These excess revenues will be utilized to offset the budget reduction in the current fiscal year.

Related Budget Issues and Summary

A few issues remain open or only partially addressed in this plan. A description of the issues follows:

Cost of Living Awards:

What has not been addressed within this document is impact on the ability for the campus to fully draw down COLA funding. CSN has not been able to fully realize COLA over the past several years. Any COLA funding not able to be drawn will cause further operating budget reductions, and will negatively impact the campus and result in additional departmental operating reductions.

Utility Budget Shortfalls:

CSN anticipates a utility budget shortfall of approximately \$565,000 for 2007-08. This shortfall is projected primarily in electricity and gas utilities, which reflects \$550,000 of the total projected budget shortage. This shortfall is a result of the Legislature not providing inflationary adjustment support and not addressing the gas shortage realized last fiscal year due to increasing costs. While a “pool” has been provided to support state agencies, the funding appropriated is insufficient to address all state agency needs. CSN anticipates receiving limited relief from this pool. An additional \$15,000 is projected to be needed for water, sewer/disposal, and telephone utilities.

Disabled Student Support:

CSN is anticipating a significant shortfall in financial support for students requiring accommodations. The costs for services are increasing and the availability of providers is limited. A shortfall of in excess of \$225,000 in this budgetary line item for the current year is anticipated.

Summary:

The following is a summary of the general fund reductions, operating adjustments, excess revenue projections, and merit deferral. What is not included in the expenditure shortfall is potential excess fee collection in year 2 of the biennium, potential cost of living funds not able to be drawn as collectable based on vacancy savings accrued as a result of hiring freezes.

General Fund Reduction at 4.5% (2007-2009): (\$8,677,305.00)

FY 2007-08

1) Operating Budget Reductions:	2,493,507.00
2) Excess Student Fee Collection	<u>1,700,000.00</u>
Total FY 2007-08:	\$4,193,507.00

FY 2008-09

1) HECC Deferred Maintenance:	\$1,167,000.00
2) Student Surcharge Assessment @\$4.50 per unit:	2,711,017.00
3) 6 Month Professional Merit Deferral	<u>605,781.00</u>
Total FY 2008-09:	\$4,483,798.00

Total 2007-09 for Governor's 4.5% Reduction: \$8,677,305.00

CSN began 2007-08 with an unsupported hold harmless budget of approximately \$1 million less than the prior year. With increased enrollment, budget shortfalls experienced by unfunded utilities, and programmatic operating shortages, the campus will need to identify \$1,381,300 of additional "cuts" to meet operational needs. This is magnified by:

- the Legislature redirecting roughly \$500,000 of traditionally retained student fees, that are used to provide services such as tutoring support, writing services, and access;
- the Legislature not recognizing through additional resources equity funding to address the historical under funded nature of CSN; and
- the lack of Legislative funding for planning new facilities after this fiscal year.

With enrollment growth anticipated to exceed the budgeted level by roughly 5%, the College is stretched beyond its means, particularly within a service area that represents over 70% of the Nevada population.

Finally, legislative leaders challenged the campuses during the last session, asking how we would help ourselves, how we would meet enrollment targets, improve retention, and improve graduation rates. These are all challenges that CSN has been working toward and was making great strides. However, with reductions in operating sources and other strategies described in this plan, access to education and student support cannot help but suffer.

College of Southern Nevada
Budget Reduction Plan
Additional Reduction for FY 2008-09

August 8, 2008

Over the past several months CSN has worked to address operating budget cuts as imposed on the institution as a result of the state's revenue shortfall. In addition to the initial 4.5% cut addressed through operating reductions, utilization of deferred maintenance funding, excess student fee collections in FY 2007-08, faculty merit pay deferral in FY 2008-09, application of the general fund appropriation of the iNtegrate funding, and the assessment of student surcharge for the 2008-09 academic year, CSN provides the following on an additional 3.42% reduction (which equates to \$3,335,549.)

FY 2008-09 Budget Reduction Assessment

Operating Reductions:

Specific strategies to address the balance of the cuts will include all operating areas of the institution, specifically:

- Hiring moratorium – during the Spring of 2008, CSN placed a hiring moratorium on all vacant positions; this will identify salary savings which will be utilized for the reduction. The result of the moratorium has had a detrimental impact on students as we have been unable to replace vacant faculty, student services positions, police officers, and other support positions at the campus.
- Operational reductions – the institution is implementing additional reductions to departments within the College. They include a freeze on employee travel, and reduction of departmental supplies, learning materials, and resources for students.

Great Basin College

Total reduction and efficiency improvements:	\$1,784,758
Percent savings of FY 2009 operating budget:	8.9%
FY 2009 legislatively approved operating budget:	\$20,053,460



MEMORANDUM

TO: Chancellor Jim Rogers

From: Carl A. Diekhans, Interim President

Date: February 4, 2009

Subject: GBC Efficiency Effectiveness Report

The total efficiency savings from 2004 – 2009 is \$1,784,758. The legislatively approved budget for 2009 is \$20,036, 523. Collectively, the efficiencies the college has engaged in over the years represent an 8.9% savings to the current annual budget.

Great Basin College is always engaged in the creation of efficiencies that will streamline operations, reduce costs and strengthen the programs it offers to its students.

Over the last four years GBC has created efficiencies in a variety of ways, perhaps most notably by leaving several faculty and staff positions vacant. The vacancies were created as natural attrition occurred at the institution. However, the result has been that the college has reduced course offerings to its students. The reduction in course offerings has had a significant negative impact on the opportunities GBC can provide its students.

2009	Savings: \$1,230,518
FUNCTIONAL AREA	
Academic Services: Twelve (12) vacant positions	\$705,964
Institutional Support: Four (4) vacant positions	250,150
Operations and Maintenance: Four (4) vacant positions	136,000
Student Services: Three (3) vacant positions	139,391

*It is important to note that the college may not be able to keep all of these positions vacant. In the short term, when possible, some of these duties associated with the vacancies may be assigned to remaining staff. In other cases, there will be a significant reduction in services resulting in a decrease in opportunities GBC can provide to its students and the communities in its service area. Eventually, the college will have to fill some of the positions. For example, GBC now has vacant faculty positions where there is strong demand from students. The result is that students in high demand areas are not being served. There are other essential positions now vacant which will need to be filled at some point in the future.

2008	Savings: \$373,640
Academic Support/Instruction:	
<ul style="list-style-type: none"> Reorganized Academic Affairs departmental support positions to use two less positions. Because staff now serves multiple areas and a larger number of students and faculty, students are not served as effectively as they were prior to the reorganization. 	\$78,000/annual salary savings
<ul style="list-style-type: none"> Established internal electronic processes for the following areas: <ul style="list-style-type: none"> Course add/change/cancel forms Room scheduling forms 	\$6,000/annual savings in time and copying costs
Student Services:	
<ul style="list-style-type: none"> Dual monitors have been installed at some user terminals involved with iNtegrate. It has made other areas of work easier as well. 	\$960/annual savings in time and reduced paper costs
<ul style="list-style-type: none"> Schedule to GBC web site has been updated so that it can be submitted in a more timely manner 	\$1,200/annual savings
<ul style="list-style-type: none"> iNtegrate attendees for the Student Services module do not have to leave office and/or Berg Hall to attend IAV meetings for iNtegrate 	\$960/annual savings
<ul style="list-style-type: none"> iNtegrate attendees can use Google chat to communicate with other attendees to discuss issues while attending meetings not in the same location. 	\$240/annual savings
<ul style="list-style-type: none"> Student information needed by Financial Aid was previously researched on an individual basis. This information is now included on rosters for easy access minimizing employee research time. 	\$240/annual savings
<ul style="list-style-type: none"> Reduced research time for Financial Aid by creating a FOCUS report that identified VA students who had dropped classes. 	\$240/annual savings
<ul style="list-style-type: none"> Outsourcing janitorial services in GBC Student Housing. 	\$10,000/annual savings
<ul style="list-style-type: none"> The recruitment, financial services, and enrollment management departments began sending emails to students rather than mailing postcards/letters. 	\$2,000/annual postage savings
<ul style="list-style-type: none"> The Admission Advising Career Center (AACC), Admissions & Records (A&R), and Student Financial Services departments are utilizing more on-line forms, training services, thereby reducing printing and paper costs, as well as providing more student access. 	\$2,000/annual savings in time and reduced paper costs
<ul style="list-style-type: none"> The Services to Students with Disabilities Office was able to hire an interpreter for a deaf student. In previous semesters, remote captioning services were used which is triple the cost of an interpreter. 	\$10,000/annual savings
<ul style="list-style-type: none"> One Student Government Association Officer does not receive a salary and is an official volunteer. All Student Government Association officers voted to take a \$2.75 surcharge cut for 2008-09. Student Government Association officers dedicate a considerable amount of personal and professional time to their endeavors. Their contribution in this regard marks a considerable financial challenge to them. 	\$2,500/savings
Institutional Support:	
<ul style="list-style-type: none"> GBC, WNC, and CSN withdrew from the Chemtracker group for chemical inventory management and teamed up with UNLV. 	\$5,000/annual license fees
<ul style="list-style-type: none"> BOR attendees travel together in an agency vehicle to BOR meetings to save on travel expenses. 	\$16,000/annual travel expenses
<ul style="list-style-type: none"> Installed Application Explorer to allow software updates from a central location to all GBC computers at one time, resulting in a substantial 	\$11,000

time-saving measure and travel costs to off-campus sites.	
<ul style="list-style-type: none"> Desktop/Laptop Computers were donated to GBC by BLM resulting in a substantial savings in equipment purchases. 	\$25,000
<ul style="list-style-type: none"> Network switches were donated by UNR resulting in a substantial savings in equipment purchases. 	\$15,000
<ul style="list-style-type: none"> Disconnected multiple telephone, fax and modem lines that were no longer necessary. 	\$14,000/annual utility expenses
O&M:	
<ul style="list-style-type: none"> Contracted with Enterprise Rental Car in lieu of purchasing agency vehicles. 	\$15,000/annual savings in new vehicle purchases
<ul style="list-style-type: none"> Terminated two (2) lease agreements for teaching facilities located at off-campus locations. Programs were moved back to the main GBC campus. 	\$95,000/annual lease payments \$18,000/annual utilities
<ul style="list-style-type: none"> B&G Department eliminated the night crew shift. This provided a cost savings in shift differential pay and utility costs. 	\$600/monthly shift differential savings \$6,000/annual utility cost savings
<ul style="list-style-type: none"> Replaced HVAC controls and the boiler in Berg Hall with more efficient ones. 	\$2,500/annual utility cost savings
<ul style="list-style-type: none"> B&G eliminated overtime on weekends. Because of this, some services and facilities the college would normally provide to the community at large cannot be performed. 	\$35,000/annual salary savings
<ul style="list-style-type: none"> Golf cart was purchased for the campus delivery system. Transportation was also eliminated to the off-campus facilities when leases were terminated. 	\$1,200/annual fuel savings
2007	Savings: \$31,100
Academic Support/Instruction:	
<ul style="list-style-type: none"> Simplified the process of web-based information 	\$8,000/annual savings in time and copying costs
<ul style="list-style-type: none"> Implemented an electronic LOA process to compensate part-time wages and full-time faculty overload pay 	\$5,000/annual savings in time and copying costs
Institutional Support:	
<ul style="list-style-type: none"> Email virus software was converted to free up a file server and reduce time required by computer services oversight 	\$2,000/annual savings
<ul style="list-style-type: none"> Initiation of laser check printing, resulting in a reduction of supply cost, equipment usage, and processing time. 	\$700/annual savings
O&M:	
<ul style="list-style-type: none"> Transitioned to fluorescent lighting from high-pressured sodiums and incandescent lighting 	\$1,000/annual utility savings
<ul style="list-style-type: none"> Terminated one (1) lease agreement for a teaching facility located at an off-campus location. Contract training classes were relocated back onto the GBC campus. 	\$14,400/annual lease payment
2006	Savings: \$53,000
Academic Support/Instruction:	
<ul style="list-style-type: none"> Increased scanning of course materials that are now posted in WebCampus which reduced the amount of copying and faxing of documents 	\$12,000/annual savings in time and copying costs
<ul style="list-style-type: none"> Provided professional computer training sessions that enhanced employee computer skills 	\$5,000/annual time savings

<ul style="list-style-type: none"> • Provide institutional data and information online 	\$5,000/annual savings in time and copying costs
<ul style="list-style-type: none"> • Established internal electronic processes for the following areas: <ul style="list-style-type: none"> ○ Faculty annual evaluations ○ Full-time faculty workload reports ○ Faculty Senate packets 	\$9,000/annual savings in time and copying costs
Institutional Support:	
<ul style="list-style-type: none"> • Installed software in computer labs that turned the computers off after one hour of inactivity. 	\$1,000/annual utility savings
O&M:	
<ul style="list-style-type: none"> • Contracted ground upkeep services to Easter Seals Disability Services to provide a 4-person work crew 5.5 hours per day M-F. This saves the college the equivalent of .5 grounds positions per year and provides employment for disabled individuals. 	\$11,000/annual savings
<ul style="list-style-type: none"> • Reduced the outside illumination for the clock tower and HTC by installing timers. Eliminated roof lighting for the HTC. 	\$3,000/annual utility savings
<ul style="list-style-type: none"> • Rewired lathes in vocation shop from 110V to 220V. 	\$1,000/annual utility savings
<ul style="list-style-type: none"> • Enclosed kiln area to help reduce natural gas consumption. 	\$2,000/annual utility savings
<ul style="list-style-type: none"> • Replaced inefficient thermostats with programmable models; replaced the GTA energy management system and modified to "unoccupied mode" temperatures in vacant rooms. 	\$2,500/annual utility savings
<ul style="list-style-type: none"> • During the winter, turned off pumps to outdoor water feature, and turned off pumps for indoor water features at the Solarium and Community Center on evenings and weekends. 	\$1,500/annual utility savings
2005	Savings: \$85,000
Academic Support/Instruction:	
Institutional Support:	
<ul style="list-style-type: none"> • Reorganize security's schedule to cover weekends and reduce overtime. 	\$4,000/annual salary savings
<ul style="list-style-type: none"> • Eliminated one (1) professional position in O&M 	\$65,000/annual salary savings
O&M:	
<ul style="list-style-type: none"> • Reset water heaters from 125° to 120°. 	\$8,000/annual utility savings
<ul style="list-style-type: none"> • Installed motion sensors for lighting in GTA, HSCI, and Lundberg Hall. 	\$8,000/annual utility savings
2004	Savings: \$11,500
Academic Support/Instruction:	
<ul style="list-style-type: none"> • Increased offerings of web and internet classes. This decreased the amount of travel faculty made. 	\$5,000/annual travel savings
Institutional Support:	
<ul style="list-style-type: none"> • Use bulk mailing permit when possible. 	\$3,500/annual postage savings
O&M:	
<ul style="list-style-type: none"> • Continue to replace lights, ballasts, and thermostats to improve efficiency. Security personnel are also helping monitor lighting, heating, and cooling. 	\$3,000/annual utility savings

Truckee Meadows Community College

Total reduction and efficiency improvements:	\$4,417,000
Percent savings of FY 2009 operating budget:	8.4%
FY 2009 legislatively approved operating budget:	\$52,498,889



Dr. Maria C. Sheehan
President
msheehan@tmcc.edu

DATE: February 5, 2009
TO: Chancellor James E. Rogers
FROM: Maria Sheehan, President, Truckee Meadows Community College *Maria C. Sheehan*
RE: Efficiencies Implemented Prior to the Budget Cuts of FY08 & FY09 (Revised)

My first order of business since joining the Nevada System of Higher Education as President of Truckee Meadows Community College was to review the cost savings measures in place at the College. One of the factors that attracted me to the College was its national reputation for excellence in the area of fiscal management. I found this to be true. The measures in place to safeguard the public trust in the College are almost too numerous to enumerate. I'm listing just a sampling below to indicate what was in place to save money prior to my arrival. Just a few strategies are new.

The following highlights some of the achieved efficiencies implemented for the years 2004 through 2006-2007 (3 academic years) and are totally independent of the 2007-2008 budget reductions.

- Fuel-efficient golf carts and ATV vehicles have replaced full-size motor vehicles for on-campus transport and patrol by Police Department and Facilities Services, resulting in a minimum annual cost savings of fuel, maintenance, and acquisition: \$3,000
- Renegotiation of leases – Equipment was changed and the lease modified. Estimated annual savings: \$43,000
- Alarms on High Theft Risk Equipment – Media Services now installs alarms on all high theft risk media equipment in conference rooms and classrooms. LCD projectors and LCD Smart Presentation devices are alarmed upon installation. Since we began this program, we have not had any losses of this type of equipment. Estimated annual savings: \$6,000
- Installed new PBX administrative monitoring console - The efficiency of the new system allows staff to save approximately 8 hours per month in time when making moves, adds and changes on the telephone system, with an annual estimated savings in personnel and supplies of: \$3,500
- Replaced the quarterly alumni mailed newsletter with a monthly electronic newsletter. Estimated annual savings: \$12,000
- TMCC catalogue is produced in a new Web-based, CD ROM version and only a minimum numbers are printed. Estimated annual savings: \$16,500

Office of the President

Dandini Campus, 7000 Dandini Blvd., Reno, Nevada 89512-3999

PH 775-673-7025 www.tmcc.edu

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- Changed product and fixtures in restrooms with an annual saving of: \$8,000
- Efficiencies to better use technology included:
 - o Scanning for File Media--Financial aid files are scanned, with an approximate annual savings of: \$1,500
 - o Scholarship Applications--Printing a hard copy of the TMCC scholarship application has been eliminated. All students are referred to the web to submit the on-line application instead. Not printing the scholarship application realized an annual cost savings of: \$1,200
 - o Application forms on web—Forms for admission, financial aid and scholarships, electronic fund transfer, change of address, degree audit, grades and unofficial transcripts are now available on-line/web-based to avoid costs for printing, postage, data entry services, and wages; in addition, labor costs are reduced, while accuracy and response time to students is enhanced. Approximate cost savings: \$2,300
 - o All student services forms on Web - All forms are available to students on the Web, allowing students to print, complete, and fax the information to the appropriate office; printing and mailing costs are reduced. Approximate annual cost savings: \$3,600
 - o On-line Resumes – Scanned job application packets allow the screening committees to review and rate applicants through a secure web-site to reduce labor, travel, and operating costs for printing, copying, and postage. This is primarily an effectiveness measure but also produces annual savings of approximately: \$1,000
 - o E-News – Students are now assigned TMCC e-mail accounts to receive campus communications (newsletters, information, announcements) to reduce printing and postage costs. This efficiency measure improved communications and produces annual savings of approximately: \$13,300
 - o Electronic Class Schedule Production - Built from data elements combined in TMCC's data warehouse, eliminates several processes and produces a schedule formatted for review and final production version for printer. Annual savings are approximately: \$11,000
- Installed Intrusion Alarm Software - This software provides more efficient monitoring, observation, and operation of buildings with a reduction of 30 person-hours and an estimated annual savings of: \$1,400
- Group Advisement – Counselors and faculty provide advisement to groups of students who have completed their placement tests; the group setting reduces labor costs and allows students to register earlier. To improve effectiveness the Financial Aid office also introduced group advisement for potential borrowers. Estimated total annual savings: \$15,200
- Custodial Department cleaning processes – A new cleaning process, designed and validated by the Washoe County School District, was instituted at the college. Estimated annual savings: \$25,000

- Disposing of 8 pallets of unusable computer equipment at the UNR-sponsored Clean and Green event. This supports TMCC's sustainability initiative and saves hazardous material disposal expense of approximately: \$2,500
- The library archives organizational system has been revised to decrease the amount of time necessary to file and retrieve archival items with cost avoidance in the reduction of personnel resources of over: \$10,000
- A new automated irrigation system was installed on the Dandini Campus. This system senses appropriate water needs and ensures that over watering does not occur which conserves potable water. It is also remote controlled. This allows equipment testing to be completed by one employee instead of two thereby reducing the required staff hours. Projected saving in labor and utilities: \$10,000
- Energy conservation has been an ongoing priority for efficiency improvement. In 2007 this was expanded to include reducing our carbon footprint and sustainability when the College became a member of the national Presidential Climate Commitment group. The following highlights some efficiencies in this area:
 - Energy Efficient Lighting - TMCC Began changing out light fixtures to energy efficient lighting in 2005. These lighting retrofit projects were funded primarily from grants. To date, lighting has been replaced in 3 buildings. The total estimated annual savings on our energy bill is: \$17,000
Additional lighting projects are planned for 2009.
 - Temperature Control – In 2008, temperatures were standardized for all TMCC facilities to a range of 68-76 degrees. Annual savings in energy costs: \$50,000
 - HVAC Efficiency – In 2008, variable frequency drives (VFD's) were installed on the large motors that drive the air condition system at Meadowood. The VFD's make the motors run more efficiently and only use the power needed to meet the specific demand at a particular time. The installation of the VFD's is anticipated to save annual energy costs of approximately: \$18,000
 - Information Technology Computer Lab Power Shut Down – Since 2005, TMCC has implemented an automated power shutdown on all academic lab, classroom computers and student services kiosks when not in use, saving an estimated 160 operational hours each day. Annual estimated energy savings of: \$49,000

Total annual savings from these implemented efficiencies: \$324,000
which is 1% of the FY 2008-09 budget.

In addition to the annual savings through sound management, the College had faced back-to-back budget reductions equaling an unmanageable nearly 8% for the current year.

The January 2008 approved budget reductions for the 2007-2009 biennium required Truckee Meadows Community College to achieve a reduction of \$3,017,591. This budget cut created significant hardships for students, faculty, staff and the community. In July 2008, the College was informed an additional reduction of \$1,400,233 was required for the 2008-2009 fiscal year. The additional cut requires the College to cut the current year operating budget by \$2,907,894 or

7.09% of the \$41 million budget. Total budget cut for the current biennium is \$4.4 million. The reduction eliminates the College's ability to introduce new programs and respond to work force training needs of the community and has a very negative impact on TMCC and the community it serves.

The following highlights some aspects of the reductions:

Personnel

- Currently, TMCC has sixty-five vacant positions. These vacancies have resulted in reduced services which includes:
 - o Reduced hours of service to students.
 - o Delays in responding to external inquiries and reports, and
 - o Has affected the cleanliness and appearance of buildings and grounds.

Number of vacancies and cost reduction by division:

Academic Affairs	17	\$ 907,000	
Student Services	18	1,019,000	
Institutional Support	<u>30</u>	<u>1,570,000</u>	
Total	65	\$3,496,000	\$3,496,000

- A long-term impact will be reduced employee morale.

General Operations

- An effort has been made to preserve operating funds in teaching departments. All other departments will have reductions to already inadequate budgets. The impact will be borne by Student Services, including Financial Aid and Admissions and Records and all Administrative units, including the President's and Controller's offices, Human Resources and Physical Plant - \$172,000
- Reduction of administrative travel budgets by more than 50% will require some reduction of staff attending Board of Regents meetings as well as a major reduction in participation in professional organizations and training - \$79,000
- Reducing Library budgets has an adverse impact on resources available to students and long-term can impact accreditation - \$20,000
- Increased cost to students due to FY 2009 student surcharge - \$450,000

Maintenance, HECC, Equipment and One-Shots

- Delaying maintenance, replacement and upgrade of facilities is only a short-term solution to cover budget reductions in the general operating areas and maintain student access and success. This change allows the College to continue to provide access but with lesser quality facilities and equipment - \$200,000

TOTAL REDUCTIONS: **\$4,417,000**

There is no way I can provide a well functioning institution with this level of reduced funding.

Regardless of efficiencies in place, this level of budget reduction creates hardships beyond our ability to survive as an effective community college.

Please let me know if you have questions.

CS:MCS:fsd

cc: Dan Klaich, Executive Vice Chancellor
Scott Wasserman, Chief Executive Officer of the Board

Western Nevada College

Total reduction and efficiency improvements:	\$2,760,000
Percent savings of FY 2009 operating budget:	10.8%
FY 2009 legislatively approved operating budget:	\$25,674,552



Office of the President**MEMORANDUM**

TO: Chancellor James Rogers

FROM: Carol A. Lucey, President

RE: Institutional Efficiencies versus Cost Cutting

In response to your request for information regarding the college's history of actions taken to assure conscientious and expeditious use of college funds, I offer the attached, two-part report. It is important at the outset to note that the college has regularly engaged in ongoing processes to assure the most efficient use of college resources. I also want to preface what I offer with the fact that under my administration, the college actually began efficiency and cost-cutting measures as early as 2000, when we reorganized the college to centralize the administration of multiple campuses under a single management team.

This report has two very distinct and different components. The first section details a historical account of college intentional personnel vacancies and other cost reductions. Some of these were identified by our staff in an October 2007 report; others resulted in a reduction/elimination of programs and services to Western Nevada College students. The second section consists of a set of memoranda from my staff detailing what I would call "cost-cutting" measures as opposed to efficiency measures. These latest measures were required because of the last two years of budget cuts the college experienced. I believe the reports for this second section clearly capture the price the college and students have paid for these cuts. I cannot properly identify their consequences (such as the inactivation of a successful surgical technology program) as having led to much institutional efficiency.

Many of the activities detailed in both the first section, as well as the attached memoranda section, result from a regular process of vacancy review that has always occurred at my college weekly staff meetings. That is, each time there is a vacancy at the college, my staff and I review the justification for filling the vacancy. Before mid-2007, such decisions were made about whether to fill the vacancy or reallocate associated resources to another area of the organization with a greater need, and ask another existing employee to assume responsibility for the work associated with the vacant position. More recently, we have not been filling vacancies or reallocating resources, but rather simply reallocating responsibilities associated with a vacancy to another part of the organization or individual and dedicating resources made available to our budget cutting process.

The following efficiency savings total \$2,760,000, which is 10.8% of our 2008-09 legislative approved budget.

Western Nevada College Summary of Institutional Budget Reductions

1. Various physical plant and security operations have been centralized under the vice president for administration and finance, resulting in staff reductions	\$205,000
2. Combined responsibilities associated with institutional research, legal affairs, program assessment and human resources under the vice president for human resources and legal affairs, resulting in staff reduction	\$235,000
3. Combined web-based instruction support, interactive video instruction, information technology services and library and media services under the college director of libraries, resulting in staff reduction	\$225,000
4. Eliminated certain regular college publications, saving funds associated with their direct publication and distribution. These changes were also required by the elimination of staff under the current biennium budget cut. Designed a bookmark to hand out to students instead of the large recruitment packets.	\$150,000
5. Appropriate scheduling to maximize class enrollments. One Fallon campus administrative assistant covering two divisions with additional support from one Carson campus administrative assistant. Fewer overloads of full-time faculty for fall semester. Offices relocated and new individuals in offices without the purchase of new furniture	\$170,000
6. Transferred interactive video function (Carson City campus) to the college's Media Services. While not generating savings, the change increased the efficiency of the operation by providing for the college's limited number of IAV personnel cross-training and backup personnel. Completed a \$125,000 renovation of the Fallon campus library using non-state funds. Supervision of the Fallon campus Academic Skills Center temporarily reassigned to the Fallon library coordinator.	\$33,500
7. Transitioning to "Thin Client" technology; dramatic reduction in labor costs associated with desktop imaging; current minimum savings of \$20,160/year are projected. Reduction in cost of desktop machines.	\$21,000
Software: Established a line item in the state-funded budget for recurring software license renewals; \$118,478 of state funding approve by the legislature. Tech fee funds previously committed to these licenses is now funding other student-focused initiatives Network Infrastructure: Purchase network switches with lifetime warranties; current cost per replacement is \$600.	\$119,000

Working with the vice president of finance and administrative services, developed an agreement with Encompass to maintain and service the campus' black/white printers. Approximately 560 hours (approximate rate of \$80/hr.) of Computing Services staff time reassigned to other duties; printer replacement costs eliminated for those printers covered under the agreement; eliminated warranty costs (approximately \$200-\$300 per printer); reduced purchase of new printers, and a printer reallocation audit included in the contract; Computing Services staff had previously coordinated this process.	\$450,000
8. Reconfiguration of the age groupings assigned to individual classes enables the center to maximize enrollment and expand services. Maximized enrollment for a self-supporting operation resulting in a projected revenue increase of \$5,000 to \$7,000; also enabled the center to develop and implement a kinder-care program.	\$7,000
9. Bristlecone building (Carson campus) has two boilers and two chillers that operate separately from each other; system is designed to tie these two heating and cooling systems together instead of two separate systems. Changes will save the college utility costs; system is designed to work in stages, utilizing the smaller unit on first demand, and then progressing to the larger equipment that requires more electricity and natural gas; the success of the new system is determined by the measurement and verification system established in 2006	\$30,000
Purchase of computerized US Postal Service mailing equipment; system automatically weighs and measures items for mailing, then prints labels with appropriate postage costs. Savings in postage costs generated because of the determination of accurate mailing costs; staff time also saved with the elimination of processing mail manually.	\$5,000
10. Issued a RFP for vending services at all campus sites including the High Tech Center. Revenue will increase since the vending services at the center have previously been administered by the Carson City School District.	\$12,000
11. Coordinated an agreement with the State of Nevada Department of Personnel to conduct WNC discrimination investigations at no charge to the college. Approximately \$5,000 per investigation for staff time	\$20,000
Implemented a new incoming/outgoing employee college notification process and checklist, in coordination with Computing Services, to facilitate immediate notification of applicable departments of employee hires/separations	Efficiency

Increased employee development offerings/efforts by coordinating and conducting on-campus opportunities for employee development	Efficiency
Employee travel costs and time away from job responsibilities were reduced by the on-campus delivery of these programs	\$2500
Increased/implemented employee appreciation/wellness activities Improved employee moral and thereby increased productivity and decrease absenteeism	Efficiency
Conducted semi-annual new employee orientations (rather than annual), benefits fairs, and sexual harassment training. Improves employee moral and thereby productivity and decrease absenteeism; also reduces potential institutional liability	Efficiency
Developed and implemented a new Data Request System (DRS) in coordination with Student Services and Institutional Research for tracking of data requests. Computerization of process reduced staff hours dedicated to this function by approximately 50% from the manual collection of this data	Efficiency
Increased information/forms availability via HR & Legal Services web page including making a PDF file of all LOA orientation forms available for one-click printing	Efficiency
Improved customer service; reduced mailroom staff time and/or postage savings; paper/toner/copy costs savings for HR & LS and the college	\$2500
Fully implemented of a new on-line applicant tracking system for classified recruitments. Moved the manual collection of application materials to a web-based process; increasingly user friendly for applicants and reduces staff time for handling paper copies of materials.	Efficiency
Conducted a customer service survey and participated in department assessment and program review activities, including initial stages of implementation of on-line applicant tracking for part-time instructor positions. Improves employee moral and thereby productivity and decrease absenteeism; saves staff travel and out-of-office time.	Efficiency
12. Combined Grant Writer duties with Foundation	\$80,000
13. Combined counseling, academic skills, admissions and records, financial aid, student outreach and faculty functions—and eliminated positions	\$1,000,000

Western Nevada College
MEMORANDUM

Office of the Vice President of Finance and Administrative Services

TO: Dr. Carol Lucey
FROM: Daniel J. Neverett, Vice President of Finance and Administrative Services
RE: Current Biennium Budget Reversions
DATE: February 3, 2009

Budget reversions during the current biennium affected the Facilities and Planning and Public Safety departments with operating and staffing reductions. In addition to the 5% reduction in FY08 on operating budgets, the departments experienced up to a 10% operating reduction in FY09.

The Facilities staff currently has four (4) vacant full-time positions (16% [4/25] of the total employees assigned to the function) and the Public Safety function has a 16.5% vacancy rate (.98 of 5.94 positions designed for the function).

These vacancies have reduced the campus' security coverage after 11:30 p.m. and decreased the amount of time for Facilities staff to clean, repair and maintain college buildings and grounds.

Memorandum

To: Carol Lucey, President

From: Mark Ghan, Vice President of Human Resources and General Counsel

Subject: Budget cut measures

Date: February 3, 2009

In October 2006, the Director of Human Resources retired, and the director position and the .25 FTE General Counsel position were consolidated as Vice President for Human Resources and General Counsel, at no cost to the college.

In August 2008, the Director of Institutional Research retired. The director responsibilities of the position were consolidated to the Vice President for Human Resources and General Counsel. The programmer/analyst responsibilities were absorbed by existing staff in the department. Total savings was one director level position. With the loss of the Institutional Research Director, the college lost an important strategic planning position.

In September 2008, the .53 FTE Personnel Technician in the Human Resources & Legal Services office became vacant, and the responsibilities were absorbed by existing staff in the office.

MEMORANDUM

TO: Dr. Carol A. Lucey

FROM: Connie M. Capurro, Vice President of Academic and Student Affairs

SUBJECT: Budget Reductions

DATE: February 3, 2009

While Western has recently faced serious budget cuts, we have had an ongoing strategy of conducting cost saving measures to increase efficiency and widely distribute resources for the past several years. Cross-training of personnel, scheduling classes four semesters in advance, and standard schedules at all instructional sites have increased the delivery of services to students, the potential for students to complete programs, and classroom utilization. Some cost saving strategies, such as the discontinuation of mailing student schedules, were piloted without being permanently adopted, once it was determined that results did not meet the standards of best practice.

Despite fiscal challenges, Academic and Student Affairs have remained constant in the support of Western's strategic goals to improve student success rates, ensure institutional excellence, and serve our many communities. Every effort has been made to protect instruction and the services that most directly affect students. While the college has held to the hiring freeze, key positions in Financial Aid, Counseling, Admissions and Records, and the Library have been filled with temporary professionals that may be cut before the next academic year.

Several senior faculty members participated in the 2008 college targeted buy-out program. The buy-outs saved the college a considerable amount of money for the '09 budget, but it has also limited student access to full-time, on-campus faculty. Students are now without full-time instructors in Physics, Engineering, and Automotive. Vacancies also include positions in Math, Biology, Welding, Surgical Technology, English, and Computers. As funding becomes available, these positions must be the priority.

To describe briefly the commitment of existing employees, Western faculty have accepted extra students in class sections. Many faculty members are teaching extra sections without compensation. Both academic and administrative faculty are working at multiple campus sites to meet the needs of Western students. Classified staff have agreed to accept permanent or temporary reassignments in critical areas. Some rural sites are now operated by classified personnel instead of rural coordinators. Administrators are sharing administrative assistants so that classified personnel can work in critical student areas. The college shares space with service area high schools. Consolidation, reallocation, and flexibility are motivating resource decisions at this time.

Librarians, in addition to their normal duties, have accepted the additional responsibility of assisting students enrolled in on-line classes, while media services personnel have accepted additional duties for interactive video courses. An employee in Information and Marketing has

accepted additional responsibilities for the technical aspects of on-line instruction, and the Library Director has accepted the management responsibilities for Distance Education and Computing Services. These reassignments must be temporary. As the demand increases for on-line faculty and staff instructional support, vacancies have also increased in the library, computing services, and technical support areas. We cannot continue the hours of availability and the same level of service without filling some of the vacancies.

We are without a Prison Education Coordinator, although we continue to offer classes at correctional facilities in our service area. No college funds are committed to grants or support functions, although the college employs all instructors for this program. Efforts are coordinated among division chairs, deans, and administrative assistants to provide academic classes and occupational training.

It is unusual for Western to assign academic advising responsibilities to a part-time faculty member, but one of our part-time instructors volunteered to advise the student athletes. This gracious offer has been accepted, and it seems to be working very well. We have also successfully placed student interns to help our students, and we recognize that we will become more dependent on those additional resources.

As a small institution, we are accustomed to “wearing multiple hats.” On any day, we may have a Dean driving to a rural business to set up a community education program. On his way home, he stops at one of our rural sites to advise several students and their parents. He returns to his campus to work on a grant, and during the evening, he serves as the evening administrator. At a different location we have a Dean of Students, who also serves as the Athletic Director, and one or two days a week he drives to a rural campus to advise students, who would otherwise have no on-site advisor. A classified staff member advises the Latino Club, and another classified staff member coordinates all recruiting efforts. “Other duties as Assigned” has been taken to a new level.

Please accept appreciation for your commitment to student success, and your consistent message that above all, our students will be served. I assure you that faculty, staff, and our student government leaders are equally committed to student success, and they will make every effort to provide quality access to students and residents of Western Nevada.

BUDGET SAVING MEMORANDUM

TO: Carol Lucey, President

FROM: Anne Hansen, Director, Information & Marketing Services

SENT: February 2, 2009

Information and Marketing Services has saved \$6,217.00 during the 2008-2009 budget year by:

1. Eliminating the production and printing of the college's "Western Nevada College Quickfacts" informational brochure. SAVINGS: \$1,123
2. Eliminating the college recruiting magazine "Get Ready" and reverting back to traditional printing of the college class schedule. SAVINGS: \$5,094

TOTAL SAVINGS: \$6,217.00