



Florida State University Board of Trustees Committee on Efficiency

Proposed Work Plan - April 2013

Florida State University's Board of Trustees recently established a standing Committee on Efficiency to identify strategies for streamlining campus operations, reducing cost, and optimizing processes and policies to build upon FSU's renowned efficient campus environment. This document will serve as the Board Committee's work plan and the operational guidelines for the on-campus Efficiency and Effectiveness Committee (EEC).

Introduction

As responsible stewards of public funds, Florida State University is committed to operating as efficiently as possible while maintaining our position as one of the world's premier institutions of higher education. Recently, *U.S. News & World Report* ranked FSU at the very top of the list of the nation's most efficient universities in producing the highest quality education. At its March 2013 meeting, the FSU Board of Trustees formed a standing Committee on Efficiency (*hereafter referred to as "the Committee"*) to identify strategies for streamlining campus operations, reducing cost, and optimizing processes and policies in an effort to build upon FSU's already renowned efficient campus environment.

Board of Trustees Chairman Allan Bense established the Committee's overarching goal as identifying opportunities to enhance the efficiency and effectiveness of operations among the broad areas of finance and administration (to include facilities and support operations), university advancement, university relations (to include communication and marketing), student services, research, academics, and information technology services.

In order to facilitate this work, President Eric Barron has created an on-campus Efficiency & Effectiveness Committee (EEC) that will solicit and vet suggestions and comments from the campus community regarding ways to seek greater efficiencies and effectiveness. The remainder of this document describes the Committee's approach to fulfilling this goal. A separate document is attached which provides a work plan for the EEC to use in defining and planning its work.

Proposed Approach

The Committee will begin its work by discussing and outlining a set of high-level guiding principles and more specific operational guidelines for the EEC to utilize. The EEC will recommend a process for routine reporting on progress, soliciting feedback, seeking approval, and identifying successes with the Committee.

The Committee should consider charging the EEC with establishing a set of recommendations regarding the creation of a self-sustaining fund that could be used to cover the start-up costs of proposed efficiency projects, to pay for occasional direct costs of the effort, and to pay incentives to employees when established criteria are met.

The recommendation of the administration is for the committee to allow the EEC the opportunity to make the first attempt at identifying and bringing forward opportunities for improved efficiency and effectiveness, rather than hiring an outside consultant. The EEC already has access to a number of consulting reports on efficiency done for other universities

that it can utilize for ideas in addition to those generated on campus. The Committee may consider using an outside consultant in the future to help identify efficiency improvements, and it should also be noted that the Committee will not be limited to considering suggestions from the ECC exclusively. The Committee may independently identify, research and approve plans or projects aimed at improving efficiency and effectiveness.

The Committee's ongoing meeting schedule will be set to coincide with the established meetings of the Board of Trustees. Additional meetings and conference calls will be scheduled as necessary so as to aggressively pursue efficiency and effectiveness opportunities. Subcommittees or focused task forces may be used as needed to enhance the work of the Committee.

Goal

The goal of the Committee is to identify ways of improving the general efficiency and effectiveness of the University's operations that do not harm the core functions and mission of the university.

Guiding Principles

Underlying the work of the Committee are the following guiding principles as it considers possible efficiency & effectiveness improvements:

1. Compliance with the regulatory, statutory, and policy environments under which the university operates must be respected, though changes may be suggested;
2. Academic quality must be maintained, and, if at all possible, enhanced;
3. Florida State's reputation as a leading national public institution of higher education & research must be preserved;
4. Sound internal controls and best business practices should be sustained;
5. Investment costs must be objectively and subjectively evaluated against relative value.

Operating Guidelines

1. Explore opportunities to revised, simplify, eliminate or create policies, procedures, processes and/or practices to improve efficiencies/effectiveness in an effort to better meet the needs of the Florida State University faculty, staff and students (these may include recommendations for changes to FSU, B.O.T., or B.O.G. rules & policies as well as state statutes);
2. Explore opportunities to increase revenue;
3. Investigate opportunities to reduce employee workload or increase employee morale;

4. Develop ways to consolidate programs and services to avoid duplication of services while maintaining service to the constituents;
5. Explore opportunities for reallocation of funds, personnel and other resources, rather than reductions;
6. Examine options to outsource services for cost-effectiveness;
7. Explore opportunities to create and introduce financial incentives to encourage and recognize appropriate entrepreneurial risk taking to enhance revenue or reduce expenses;
8. Develop ways to support and reward units for interdisciplinary collaborations and discourage unnecessary internal competition;
9. Identify methods to improve the communication and application of new policies, initiatives and procedures among the University community;
10. Find other opportunities not covered here that may be presented to the Committee for their consideration by faculty, staff, students and vendors that would increase the efficiency or effectiveness of the university.

A proposed work plan for the EEC is attached for consideration and discussion.



FLORIDA STATE UNIVERSITY CAMPUS EFFICIENCY & EFFECTIVENESS COMMITTEE

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The EEC will begin its work by reviewing, vetting and providing feedback on the goal, guiding principles and operating guidelines developed by the Board of Trustees, and developing a process to be used as it considers recommendations. The EEC may form sub-committees and, following the requests for suggestions from the campus community, will vet and compile efficiency recommendations to be shared with the Board Committee. Feedback will be obtained from faculty, staff, students and vendors using multiple means. Each sub-committee will discuss and analyze proposals and feedback, and draft recommendations after discussions and subsequent meetings with additional campus representatives.

Recommendations will be documented and, where possible, estimated investment and cost savings will be provided. Comments and proposals may be submitted that exceed the immediate scope described here. The EEC may recommend that a separate ad hoc committee be established to take such comments under consideration. It is important to note that recommendations provided may not necessarily contain projected cost savings, but rather present improved operational efficiencies and services. It is of utmost importance that the quality and excellence already existing at Florida State University be enhanced or, at a

minimum, be maintained.

The EEC will also recommend a method for effectively documenting, and, where possible, capturing any monetary savings or additional revenues created, which could then be considered for reallocation. The EEC will consider the creation of a self-sustaining fund that could be used to cover the start-up costs of proposed efficiency projects and to pay incentives to employees when established criteria are met.

ECC Composition

The ECC will consist of seventeen members and be chaired by Provost Garnet Stokes. Committee members include:

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A History of Efficiency and Effectiveness

In response to the decline in state-appropriated resources in recent academic years, Florida State University has implemented many innovative strategies to ensure that the institution upholds the high standards and quality of its academic programs, research endeavors and outreach efforts. While the institution has always pursued efforts to decrease costs and improve policies, many campus units have rededicated themselves to a zealous pursuit of optimizing efficiency and effectiveness in recent years. These strategies have resulted in better use of funds and resource allocation.

Periodically, academic and auxiliary units are asked to provide their efficiency strategies to demonstrate how they contain costs to operate more effectively. Over the past six years, budget cuts have exceeded \$165 million and affected more than 800 positions. All areas of the University have been impacted by those budgetary constraints, yet they continue to find

creative approaches to fulfill the institution's mission while making progress towards achieving the University's strategic goals.

Efficiency Committee Timeline

The initial work to establish the EEC along with the necessary complimentary systems and processes will span a one-year timeframe, throughout which, routine updates will be provided to the Committee as appropriate. A formal report of EEC recommendations will be presented to the Committee no later than April 2014.

Incentive Program for Employee Participation

With the ultimate goal of improving the level of efficiency and effectiveness, it is important to tap into and recognize a valuable resource for ideas – our employees. An incentive program for employee participation would provide monetary bonuses and/or other awards to employees who identify procedures or ideas that are implemented and that result in eliminating or reducing expenditures, generating new revenues, or reallocating resources to achieve a greater efficiency while maintaining effectiveness and quality. The EEC will bring to the Committee a recommendation for such a program at FSU.

Ongoing Assessment and Documentation of Efforts

While the employee incentive program and the need to document evidence of demonstrable improvements or savings will be ongoing, the concentrated effort to conduct a campus-wide solicitation and feedback on efficiency ideas would not be as effective if repeated annually. The EEC will provide recommendations on future plans for maintaining a long term focus on efficiency and effectiveness. Additionally, the EEC will recommend a method and plan for reporting successes and progress on an ongoing basis to the Committee.