

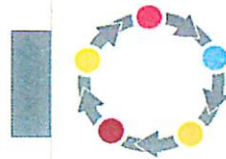
**RESOLUTION TO APPROVE
INSTITUTIONAL EFFICIENCY REVIEW AS REQUIRED
BY HOUSE BILL 64**

WHEREAS, Section 369.560 of House Bill 64 of the 131st General Assembly requires boards of trustees of state institutions of higher education in Ohio to complete, by July 1, 2016, an efficiency review based on the report and recommendations of the governor's task force on higher education affordability and efficiency; and

WHEREAS, the Ohio Department of Higher Education has provided a template for which to document and report each institution's efficiency review and implementation plan; and

WHEREAS, in concert with its Budget Advisory Council / Institutional Efficiency Council, Youngstown State University has conducted a comprehensive efficiency review in accordance with the parameters established by the state of Ohio.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby approve the efficiency review and implementation plan, as shown in Exhibit ___ and made part hereof.



2016 Efficiency Reporting Guidance

In the early part of 2015, Gov. John R. Kasich created the Ohio Task Force on Affordability and Efficiency to make recommendations to Ohio's institutions of higher education based on three simultaneous principles 1) to be more efficient both in expense management and revenue generation 2) while offering an education of equal or higher quality and 3) decreasing costs to students and their families. The Task Force met several times during the course of 2015. In October the Task Force issued a report with ten recommendations to advise institutions on efficiency and academic practices which will improve both the quality of education and lower costs for students.

Furthermore, House Bill 64 (Section 369.550) requires each institution's board of trustees to complete an efficiency review, based on the Task Force's recommendations, by July 1, 2016, and submit their findings and implementation plans to the chancellor within 30 days, or by August 1, 2016. For additional information on each category and recommendation, please review the [Action Steps to Reduce College Costs report](#), issued by the Ohio Task Force on Affordability and Efficiency.

This document is intended to provide guidance for institutions' reports to the chancellor, based on the legislation – please modify and add additional detail as necessary. **The institutional efficiency review and the implementation plans captured by this template will serve as the data for 2016 Efficiency Advisory Committee Report. These reports are due August 1, 2016.** In 2017 and moving forward, ODHE will issue a survey to the institutions, based on the Task Force Report, as a status update to the implementation plans and will serve as the Efficiency Advisory Committee report.

Campuses will want to review the template to familiarize themselves with the format and content before beginning. The template is structured into four sections:

- **Section 1: Efficiencies** – The first section captures practices likely to yield significant savings for institutions that can then be passed on to students. This includes Procurement, Administrative and Operational, and Energy.
- **Section 2: Academic Practices** – This section covers areas such as textbooks, time to degree incentives, and academic course and program reviews. While improvements to academic processes and policies may not convey immediate cost savings, there will likely be tangible benefits that improve the quality of education for students.
- **Section 3: Policy Reforms** – This section captures additional policy reforms recommended by the Task Force.
- **Section 4: Cost Savings, Redeployment of Savings & Tangible Benefits to Students** – The last section will ask institutions to provide, if applicable, cost savings to the institution in actual dollars saved for each of the recommendations. Furthermore, the institution must advise if the institutional savings has been redeployed as a cost savings to students or offered a benefit to the quality of education for students.

Any questions can be directed to Sara Molski, Assistant Policy Director at the Ohio Department of Higher Education, at 614-728-8335 or by email at smolski@highered.ohio.gov.

Section I: Efficiency Practices

Procurement

Recommendation 3A | Campus contracts: Each institution must require that its employees use existing contracts for purchasing goods and services, starting with the areas with the largest opportunities for savings.

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

YSU's Procurement Services office encourages campus financial managers to use existing contracts that have been negotiated by the State of Ohio Department of Administrative Services, locally by YSU, and/or by the Inter-University Council of Ohio Purchasing Group (IUC-PG) consortium. While the use of these contracts has resulted in cost-savings and efficiencies, not all goods or services are available through existing contracts; and better pricing is sometimes available through non-contracted vendors.

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale.

YSU will continue to participate in the IUC-PG to identify opportunities for shared contracts. Additionally, YSU will evaluate the merits of an institutional policy that would mandate the use of IUC-PG price agreements.

Recommendation 3B | Collaborative contracts: Ohio's colleges and universities must pursue new and/or strengthened joint purchasing agreements in the following categories:

- Copier/printer services
- Computer hardware
- Travel services
- Outbound shipping
- Scientific Supplies and Equipment
- Office Supplies and Equipment

Contract Type	Is the institution participating in joint contracts? [yes, no, plan to]	Include additional explanation here if needed. If the institution chooses not to participate, please explain why.
Copier/printer services	Plan to	YSU's existing print services vendor, ComDoc, has multiple agreements with other IUC institutions, including Ohio State University, BGSU, and the University of Akron. YSU is working with the IUC-PG to determine if opportunities exist to standardize these individual campus contracts into a single, state-wide agreement.

		YSU also recently concluded an in-depth self-review of copier and print services on campus. This exercise has revealed opportunities for savings through modified print management practices. Recommendations are forthcoming, which may include standardizing printers and supplies, and implementing shared printing in lieu of desktop printers.
Computer hardware	Plan to	While YSU has favorable locally-negotiated contracts in place, YSU will work with the IUC-PG to develop a bid process to identify a single manufacturer with common computer configurations.
Travel services	No	YSU uses a locally-negotiated contract with Concur/Traveline and has standardized University travel by requiring all travel to be processed through this vendor, ensuring optimal pricing and policy compliance.
Outbound Shipping	Yes	YSU uses the state of Ohio contract with UPS, which provides a discount of approximately 40%. In addition, YSU's Delivery Services office utilizes rate comparison software that ensures optimal shipping pricing.
Scientific supplies & equipment	Plan to	Some IUC campuses already have favorable contracts in place, and YSU is working with the IUC-PG to identify opportunities to join these existing agreements, which may result in lower costs through greater volume.
Office supplies & equipment	Yes	YSU uses the IUC-PG price agreements for office supplies.

Assets and Operations

Recommendation 4 | Assets and Operations

4A Asset review: Each institution must conduct an assessment of its noncore assets to determine their market value if sold, leased or otherwise repurposed. Where opportunities exist, colleges and universities must consider coordinating these efforts with other Ohio institutions to reap larger benefits of scale.

Please provide an overview of the process used for the institution's asset review and the key outcomes below or on additional pages:

In concert with the University's Institutional Efficiency Council, YSU performed a self-evaluation of campus assets, identifying campus housing and other student amenities as prime opportunities for sale or lease. In addition, YSU conducted an RFP to solicit proposals for private investment on campus-owned property. This RFP resulted in YSU leasing approximately 5.5 acres of campus property to private student housing developers. These projects will not only create new revenue streams to the University, it allows for the creation of campus amenities—at no cost to YSU—that are in demand among today's college students.

Additionally, YSU is working with the State of Ohio Department of Administrative Services on the potential sale the University-owned Courtyard Apartments, a 408-bed student housing facility. This would reduce the University's debt burden, reduce depreciation costs significantly, and provide an infusion of cash that could be used for other strategic investments, such as endowed scholarships.

4B Operations review: Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. These opportunities must then be evaluated to determine whether collaboration across institutions would increase efficiencies, improve service or otherwise add value.

Please provide an overview of the process used for the institution's operations review and the key outcomes below or on additional pages:

In concert with YSU's institutional efficiency council, YSU's Finance division worked with key campus stakeholders to evaluate campus assets and operations. In addition, YSU participated in a collaborative RFP with Kent and Wright state universities to select KPMG to perform an opportunity scan of campus operations. As a result of these exercises, YSU identified a number of opportunities:

1. **Bookstore:** YSU conducted an RFP to identify a private vendor to operate the University-operated bookstore. Consequently, YSU selected Barnes & Noble College to take over bookstore operations. This is expected to result in significant economies that will reduce YSU expenses while increasing revenue opportunities.
2. **Health Clinic:** Through its affinity partnership with Mercy Health, YSU has entered into an agreement to allow Mercy to manage, operate and expand services at YSU's on-campus health clinic. This will result in direct cost savings, and will ultimately improve campus health and wellness.
3. **Print Management Services:** YSU is evaluating the Ohio State University's agreement with ComDoc, the pricing for which has been made available to other state universities. In addition, YSU is working directly with ComDoc on an in-depth analysis, print audit, and peer review, which could result in a re-negotiated contract between the parties.
4. **IT Help Desk:** YSU is participating in a collaborative RFP, led by Cuyahoga Community College, to select a private vendor to support, augment or otherwise outsource on campus IT help desk operations.
5. **Grounds:** YSU is evaluating opportunities for outsourcing some landscaping functions to private vendors.
6. **Motor Pool:** YSU is evaluating whether a fleet leasing program is more advantageous than YSU's current practice of purchasing vehicles.
7. **Real Estate Management:** The University is collaborating with private developers to lease campus property to expand campus amenities, such as student housing and retail, and to enhance campus aesthetics. YSU is also collaborating with the City of Youngstown to enhance campus gateways, including Wick and Lincoln avenues.

4C Affinity partnerships and sponsorships: Institutions must, on determining assets and operations that are to be retained, evaluate opportunities or affinity relationships and sponsorships that can support students, faculty and staff. Colleges and universities can use these types of partnerships to generate new resources by identifying "win-win" opportunities with private entities that are interested in connecting with students, faculty, staff, alumni or other members of their communities.

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Yes, YSU has evaluated and continues to evaluate opportunities for affinity partnerships. This evaluation process focused on local and regional stakeholders having missions that are consistent with and complimentary of YSU's academic and research mission. As part of this process, YSU signed two (2) affinity agreements during FY 2016.

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale.

Please identify partnerships and sponsorships in effect for FY2016:

Partnerships/Sponsorships	Description
Mercy Health System	This partnership allows both parties to share physical and intellectual resources, such as classroom and lab space, YSU faculty, student interns, and Mercy nurses and physicians. For instance, Mercy Health assumed management of YSU's on-campus health clinic on May 1, 2016, which provides ready care services to the campus community. This partnership will also facilitate the development of academic programming opportunities, such as YSU's new masters program in athletic training—the first of its kind in the state of Ohio.
PNC Bank	This new partnership provides numerous benefits to YSU, namely in the form of treasury management services to support YSU operations, as well as campus workplace banking for faculty and staff, and student banking services such as financial aid and loan processing. In addition, YSU is leveraging this partnership to augment financial literacy awareness education for students, especially first-year YSU students—at no cost to YSU or to students. This agreement also provides new internship opportunities for students enrolled in YSU's Williamson College of Business Administration.

Administrative

Recommendation 5 | Administrative cost reforms

5A Cost diagnostic: Each institution must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. This diagnostic must identify, over at least a 10-year period:

- Key drivers of costs and revenue by administrative function and academic program;
- Distribution of employee costs — both among types of compensation and among units;
- Revenue sources connected to cost increases — whether students are paying for these through tuition and fees, or whether they are externally funded;

- Span of control for managers across the institution — how many employees managers typically oversee, by the manager's function; and
- Priority steps that would reduce overhead while maintaining quality — which recommendations would have the most benefit?

Has the institution produced a cost diagnostic? If yes, please provide an overview of the process used and the key outcomes. No, YSU has not yet produced a cost diagnostic. However, some of the main variables in a cost diagnostic are fairly straightforward, such as employee compensation, the data for which is already reported in YSU's annual budget and audited financial statements.

Please provide details on the result of the assessment. What are the cost drivers, based on the categories above? Please discuss the institution's priority areas that offer the best opportunities for recommendation.

If the institution has not produced a cost diagnostic, is there a plan to? If yes, what is the implementation plan? If the institution has not completed a cost diagnostic and does not plan to do so, please provide the rationale. Yes, YSU intends to produce a cost diagnostic. YSU plans to evaluate best practices for this type of diagnostic tool and plans to collaborate with other Ohio public universities in developing and employing the cost diagnostic.

5B Productivity measure: The Department of Higher Education developed a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities. While the measure should be consistent, each institution should have latitude to develop its own standards for the proper level of productivity in its units. This will allow, for instance, for appropriate differences between productivity in high-volume environments vs. high-touch ones.

What steps has the institution taken to improve the productivity measure score or what are the institution's plans to improve the score?

- **The ODHE has created two productivity measures: (1) Course completion ratio that is calculated by dividing course completed FTE by administrative employee headcount; and (2) degree completion ratio that is calculated by dividing student degree completions by administrative employee headcount. To improve these ratios, YSU has raised admission requirements, invested in additional academic advisors, created a new division of Student Success, and continues to hold the line on filling administrative positions.**
- **The ODHE has also created two efficiency measures: (1) Administrative headcount ratio that is calculated by dividing all employee headcount by administrative employee headcount; and (2) administrative expenditure ratio that is calculated by dividing E&G expenditures by administrative salary expenditures. To improve these ratios, YSU continues to hold the line on filling administrative position vacancies and has held administrative salaries flat. In addition, YSU implemented a major organizational restructuring during FY 2016 that resulted in reduced administrative salary expenditures.**

Has the institution implemented or considered utilizing Lean Six Sigma methodology as a tool to evaluate the institution's processes?

Though this has not been implemented, YSU does employ some of the characteristic of Lean Six Sigma, such as continuous

improvement, teamwork, waste elimination, and innovation and redesign of both academic and administrative practices.

5C Organizational structure: Each institution should, as part or as a consequence of its cost diagnostic, review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs. The institutional reviews also should consider shared business services — among units or between institutions, when appropriate — for fiscal services, human resources and information technology.

Has the institution reviewed its organizational structure? If yes, please provide an overview of the process used and the key outcomes. Yes, review of YSU's organizational structure is an ongoing and continuous process. Changes to YSU's organizational structure are made on the basis of need, priority, and opportunity. For example, at the onset of FY 2016, YSU recognized the need to enhance mission-critical areas, and took advantage of retirement and attrition among some senior administrators to implement a major management re-organization. This exercise changed reporting lines, prioritized the areas of Student Success, Student Experience, and Research, and resulted in a net reduction of 7 FTE positions that reduced payroll and benefit costs by \$1 million.

Additionally, YSU will continue to strategically evaluate certain divisional organizational structures, beginning with the area of Information Technology Services. YSU plans to conduct an independent evaluation (through a third-party engagement) to determine if opportunities exist for enhanced staffing efficiencies within the University's various IT offices. YSU intends to initiate this analysis in FY 2016, with completion and implementation expected in FY 2017.

If the institution has not reviewed the organizational structure, is there a plan to? If yes, what is the implementation plan? If the institution not completed a review and does not plan to do so, please provide the rationale.

5D Health-care costs: Like other employers, colleges and universities have experienced rapid growth in health-care costs. To drive down costs and take advantage of economies of scale, the Department of Higher Education has convened a working group to identify opportunities to collaborate. While no information on healthcare costs is required in this year's survey, please feel free to share ideas that the institution believes may be helpful for the working group to consider.

(Optional) Has the institution identified any healthcare reforms that the working group should consider? Please describe. Yes, a statewide or regional consortium should be pursued to allow state colleges and universities to leverage purchasing power within the marketplace for health care insurance. Additionally, special legislation should be introduced that would remove health care insurance coverage from collective bargaining in the public sector. This would enable employee health care plans to be normalized across various campuses and public employers.

(Optional) Has the institution achieved any expected annual cost savings through health-care efficiencies? Please explain how cost savings were estimated. Yes, through the collective bargaining process, YSU has reduced and stabilized healthcare costs by raising employees' share of premium costs, and through plan design changes.

5E Data centers: Institutions must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center (SOCC).

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. **No, YSU has not implemented this recommendation.**

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale. **Moving YSU's data centers to the State of Ohio Computer Center would result in an immediate increase in costs to the University, which is counter to the intent of these recommendations. In April 2016, however, YSU entered into a collaborative reciprocal agreement with the University of Akron to house backup data servers and other IT equipment in case an unforeseen event at either campus causes loss of or damage to critical IT infrastructure. In addition, YSU is pursuing a similar agreement with Cleveland State University.**

5F Space utilization: Each Ohio institution must study the utilization of its campus and employ a system that encourages optimization of physical spaces.

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. **Yes, YSU is in the process of implementing this recommendation. Through a competitive RFP process, YSU selected a private firm, Stantec, to conduct a space utilization study, focused primarily on classroom and lab utilization.**

Please provide details on the results of the assessment below or on additional pages: **Detail expected to be available in May or June 2016.**

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale.

Energy

Energy Efficiencies seek to refine sustainable methods utilized by institutions to procure and use energy (resulting in more efficient use of energy), including, but not limited to lighting systems, heating & cooling systems, electricity, natural gas, and utility monitoring.

What energy efficiency projects has the institution implemented or enhanced within fiscal year 2016?

Project	Collaborative Partnership(s)	Explanation
Phase I Energy Conservation Initiative – completion	N/A	FY 2016 marks the terminal year of a 10-year energy conservation project. In concert with YSU’s energy partner, Johnson Controls Inc., YSU has enjoyed significant energy savings, primarily in the area of electricity consumption. This project focused on the replacement of electrical and lighting fixtures, and control mechanisms, resulting in significant utility cost savings and cost avoidance.
Phase II Energy Conservation Initiative – new project	N/A	Again with its energy partner, Johnson Controls, Inc., YSU has begun construction of a steam plant on campus, which will enable YSU to produce its own steam heat. This project will reduce YSU’s dependence on outside utility providers, enable YSU to address deferred maintenance in its utility tunnels, and significantly reduce energy costs by \$2 million annually.

Section II: Academic Practices

Recommendation 6 | Textbook Affordability

6A Negotiate cost: Professional negotiators must be assigned to help faculty obtain the best deals for students on textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in the selection of course materials.

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. Although professional negotiators have not been assigned, YSU has two initiatives underway that are intended to directly impact textbook affordability:

1. YSU’s Maag Library and Student Government Association have partnered to provide free access to textbooks for all general education sections. This program allows students to access textbooks at YSU’s library—at no cost—in three-hour increments. In addition, this initiative seeks to increase student awareness of other open-source textbook options available for free in digital format, such as gutenberg.org and open.umn.edu.
2. YSU is in the process of outsourcing campus bookstore operations to Barnes & Noble College (BNC). Because BNC has a larger presence in the national textbook market, textbooks can be acquired—and sold to students—at comparatively lower prices. And BNC’s price-match guarantee program will ensure that textbooks at YSU’s bookstore will be sold at the lowest possible price. In addition, as part of YSU’s negotiated agreement with BNC, a minimum of \$10,000 per year in textbook scholarships will be made available to YSU students.

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale. **After Barnes & Noble College has fully transitioned to YSU's bookstore operator, the University will evaluate the impact of outsourcing on textbook prices and re-evaluate the merits of assigning professional negotiators in the future.**

6B Standardize materials: Institutions must encourage departments to choose common materials, including digital elements, for courses that serve a large enrollment of students.

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes. **For multi-section courses, YSU's existing policy requires that all instructors use the same textbook.**

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale.

6C Develop digital capabilities: Institutions must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.

Please explain your efforts to develop digital tools and materials.

Some YSU faculty have begun utilizing digital resources, using their own efforts to identify and secure the required materials.

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale. **YSU has not yet introduced a policy in this regard. During the next negotiation cycle with the faculty bargaining unit, YSU will consider implementing an incentive plan for faculty that select digital tools.**

Recommendation 7 | Time to Degree

7A Education campaign: Each institution must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (two years for most associate degrees and four years for most bachelor's degrees).

Has the institution implemented this recommendation? If yes, please provide an overview of the process used and the key outcomes.

YSU had previously produced posters encouraging students to enroll in a minimum of 15 hours per semester. Such materials have now been removed. In its place, advisors have been reminded that students need 15 – 16 hours per semester to graduate within 4 years, and they are encouraged to work with students to achieve the optimal enrollment. YSU's bulk tuition rate was extended to 18 hours, allowing students to register for 17 or 18 credit hours without an increased cost. A key message that YSU advisors are communicating to students is that by taking a heavier course load and by completing a degree program in a shorter time period, students may enjoy significant cost savings during their college career.

If the institution has not implemented this recommendation, is there a plan to implement? If yes, what is the implementation plan? If the institution has not implemented this recommendation and does not plan to do so, please provide the rationale.