Youngstown
STATE UNIVERSITY

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BACKGROUND MATERIALS
Tuesday, June 3, 2014

1. **Fiscal Year 2014 Third Quarter Comparison of Budget to Actual for the General Operating Fund**   Tab 1

2. **Budget and Interfund Transfers for the Quarter Ending March 31, 2014, Reportable under Policy Number 3010.01, Budget Transfers, of the *University Guidebook***   Tab 2

3. **Technology Master Plan Update**   Tab 3
   Progress to date on major technology initiatives, as defined in the Technology Master Plan, is summarized for the areas of Computer Services, ITS Operations, Media and Academic Computing Services, and Network Security.

TAB 1: Fiscal Year 2014 Third Quarter Comparison of Budget to Actual for the General Operating Fund

STAFF CONTACT: Neal McNally, Interim Vice President for Finance & Administration

HIGHLIGHTS OR ISSUES:

- Overall revenues are below budgeted targets and expenses and transfers have not been sufficiently reduced in light of declining revenue.
- The University has developed a plan to meet this revenue shortfall, which focuses primarily on reducing or holding down expenses.
- Management continues to curb spending and monitor expenses in an effort to mitigate what will likely be an operating deficit at year-end.

TAB 2: Budget and Interfund Transfers for the Quarter Ending March 31, 2014 Reportable under Policy Number 3010.01, Budget Transfers, of the *University Guidebook*

STAFF CONTACT: Katrena Davidson, Controller

HIGHLIGHTS OR ISSUES:

- Required to report transfers of $25,000 or more.
- A total of ten transfers, five of which were to plant funds, including $690,000 to debt service reserve funds, two totaling $106,000 to restricted funds for match requirements, and $40,000 to a designated fund for enrollment initiatives.

TAB 3: Technology Master Plan Update

STAFF CONTACT: Ken Schindler, Associate Vice President and Chief Technology Officer

HIGHLIGHTS OR ISSUES:

- Several major projects are nearing completion, the most visible to users will be:
    - Password Change Management
    - Single Network Architecture
    - Classroom Technology Upgrades in 11 classrooms
    - A Unified Campus Calendar system
    - Windows/XP to Windows/7 Upgrade Project

- Continuing refinement of the Business Intelligence database and reporting. Current focus is on data quality and missing data.

REVIEWED:

Ikram Khawaja, Interim President

YOUNGSTOWN STATE UNIVERSITY
Budget to Actual Comparison
For the 9-month period of 7/1/13-3/31/14

Overall, actual general fund revenues are below budgeted targets, while expenses and transfers remain on target relative to budget.

- Tuition and mandatory fees as a percentage of the annual budget was 92.2%, lower than expected. This is attributable to a fall semester enrollment drop of 3.2% on an FTE basis, combined with a 1.8% FTE enrollment decline for the spring semester. The University has developed a plan to meet this revenue shortfall, which focuses primarily on reducing or holding down expenses related to everything from energy consumption to personnel costs.

- Other tuition and fees include non-resident surcharges, lab and material fees, college fees, graduation fees, and application fees. These fees as a percentage of the budget totaled 93.2% at the end of the third quarter.

- State appropriations were 72.4% of the annual budget. The annual budget was based on estimates. The Ohio Board of Regents finalized the State Share of Instruction (SSI) calculations in December 2013, which resulted in an approximate 3% difference between anticipated budget and anticipated actual at June 30, 2014.

- Recovery of indirect costs was 60.6% of the annual budget, below targeted levels. This is due primarily to a decrease in federal grant activity. Although revenues are below expected levels, spending is limited to actual revenue.

- Investment income, consisting of realized net gains and interest income, was 141.6% of the annual budget, higher than expected. This is due in part to market performance, a change in internal practices for disbursing investment income, and the University reducing its reliance on investment income as a budgeted revenue source.

- At 87.1% of the annual budget, combined revenues through the third quarter are below budgeted targets. A warning indicator was assigned due to two main factors: (1) the largest category of revenues—tuition and mandatory fees—are below target, as described above; and (2) concerns persist over future enrollment levels, the primary driver of revenues.

- The largest categories of expenses—wages and benefits—were slightly above targeted levels but generally on target. A caution indicator was assigned to benefits due to a relatively high number of medical claims exceeding $100,000 during fiscal year 2014.

- At 78.0% of the annual budget, combined expenses and transfers for the third quarter are slightly higher than the prior year. A caution indicator was assigned because overall expenses have not been sufficiently reduced in light of declining revenue. However, Management continues to curb spending and monitor expenses in an effort to mitigate what will likely be an operating deficit at year-end.

YOUNGSTOWN STATE UNIVERSITY
Budget to Actual
For the 9-month period of 7/1/13 - 3/31/14

FY2014 Revenue 3rd Quarter, 3/31/14	Fiscal Year 2014		Actual as a % of Budget	Business Indicator	FY14 actual compared to FY13 actual
	Budget	Actual			
Tuition and mandatory fees	$101,300,120	$93,365,844	92.2%	🔴	↓
Other tuition and fees	8,679,520	8,091,456	93.2%	🟢	↑
Student charges	1,288,000	1,103,933	85.7%	🟢	↑
State appropriations	38,889,094	28,170,974	72.4%	🔴	↓
Recovery of indirect costs	1,984,266	1,202,861	60.6%	🟡	↓
Investment income	700,000	991,439	141.6%	🟢	↑
Other income	859,000	912,538	106.2%	🟢	↑
Total	**$153,700,000**	**$133,839,045**	87.1%	🔴	↓

🟢 On/Above target
🟡 Caution
🔴 Warning

FY2014 Expenses 3rd Quarter, 3/31/14	Fiscal Year 2014		Actual as a % of Budget	Business Indicator	FY14 actual compared to FY13 actual
	Budget	Actual			
Wages	$80,717,358	$60,275,929	74.7%	🟢	↑
Benefits	25,641,892	20,955,871	81.7%	🟡	↑
Scholarships	4,628,360	4,411,427	95.3%	🟢	↓
Operations	14,987,188	8,355,134	55.7%	🟡	↑
Plant & maintenance	8,302,558	6,841,664	82.4%	🔴	↑
Fixed asset purchases	667,674	293,152	43.9%	🟢	↑
Transfers	18,887,778	18,843,482	99.8%	🟢	↓
Total	**$153,832,808**	**$119,976,659**	78.0%	🟡	↑

🟢 On/Below target
🟡 Caution
🔴 Warning

BUDGET TRANSFERS WITHIN THE OPERATING BUDGET (i.e., General Fund and Auxiliaries):

FROM	TO	AMOUNT	REASON
None.			

TRANSFERS OUTSIDE OF THE OPERATING BUDGET:

FROM	TO	AMOUNT	REASON
General Fund Operating Reserve (Quasi-Endowment Fund)	Health Care Reserve (Quasi-Endowment Fund)	$2,215,441	Approved by Board in March.
New WCBA Bldg - Gift Fund (Restricted Plant Fund)	Debt Service Reserve - WCBA Gifts (Restricted Plant Fund)	$593,828	Transfer quarterly residual cash received on WCBA pledges/gifts to a debt service fund in accordance with Board Resolution approved in September 2009 directing that any private contributions received for the new WCBA building from July 1, 2009 forward be transferred on a quarterly basis. Outstanding pledges at 3-31-14 total approximately $2.2 million.
Rec/Wellness Center Equipment (Auxiliary Plant Fund)	Andrew Rec/Wellness Center Plant Reserve (Auxiliary Plant Fund)	$75,000	Reallocate FY13 year end excess funds back to plant reserve fund.
General Fund	YSUF Cushwa Graduate Fellowship (Restricted Fund)	$74,500	Fund matching requirement.
Outdoor Athletic Facility - Gift Fund (Restricted Plant Fund)	Debt Service Reserve - Outdoor Athletic Facility (Restricted Plant Fund)	$50,000	Transfer quarterly cash received for Outdoor Athletic Facilities to a debt service fund. Outstanding pledges at 3-31-14 total $400,000.
Applied Music (Designated Fund)	Program Fee Carryforward (Designated Fund)	$49,479	Transfer remaining funds to centralized program fee carryforward fund.

TRANSFERS OUTSIDE OF THE OPERATING BUDGET:

FROM	TO	AMOUNT	REASON
Veterans Resource Center - Gift Fund (Restricted Plant Fund)	Debt Service Reserve - Veterans Center (Restricted Plant Fund)	$43,370	Transfer quarterly cash received for Veterans Resource Center to a debt service fund. Outstanding pledges at 3-31-14 total $235,622.
Bookstore (Auxiliary)	Strategic Initiatives (Designated Fund)	$40,000	Transfer to fund enrollment initiatives.
General Fund	Grad Assistant Intern Thiel College (Restricted Fund)	$31,500	Fund matching requirement.
Housing Services Plant Reserve (Auxiliary Plant Fund)	Cafaro House HVAC (Auxiliary Plant Fund)	$25,000	Transfer to fund additional project costs based on bids.

Computer Services – R. Marsico

Project highlights include the following:

- Efforts remain focused on the Business Intelligence (BI) proof of concept deliverable as defined by executive management. The solution provided will facilitate the financial planning and budget development processes through the aggregation of various instructional costs. The product of this effort will be applied to a request recently submitted by the Dean of the Beeghly College of Education allowing for the identification and analysis of instructional costs at the departmental level. The BI team is in the process of delivering the requested solutions utilizing the recently acquired IBI Active Reports and Visual Discovery online analytical processing tools.

- Files are being migrated from a Microsoft Access database to Oracle tables facilitating the data needs of the Higher Education Information (HEI) system. The initial production run utilizing the Oracle environment is scheduled for the HEI Fall Term 2014 data submission cycle.

- IT staff contributed to the implementation of Web Leave Reporting which was successfully introduced to non-faculty semi-monthly pay employees this past April. In addition to addressing Banner system and database configuration requirements, a number of custom reports were developed in support of this initiative.

- The student application process was enhanced through the introduction of a hierarchical response structure to the browser-based interface. Via a sequence of questions and responses, the applicant is guided to the admissions application appropriate to their need. This has significantly reduced the complexity of what was previously an error prone process given the sheer number of options from which the applicant was required to choose.

ITS Operations – T. Cross

- Password Self-Service (PSS) implementation was delayed. Beginning mid-April, PSS will be delivered with a phased approach using ITS staff as its first candidate. The plan is to start the six (6) month rolling password expiration process for all directory accounts for mid-September.

- Brocade fabric was implemented in the Meshel Hall datacenter to provide a more stable and redundant network foundation. The process of moving datacenter servers to Brocade fabric is underway.
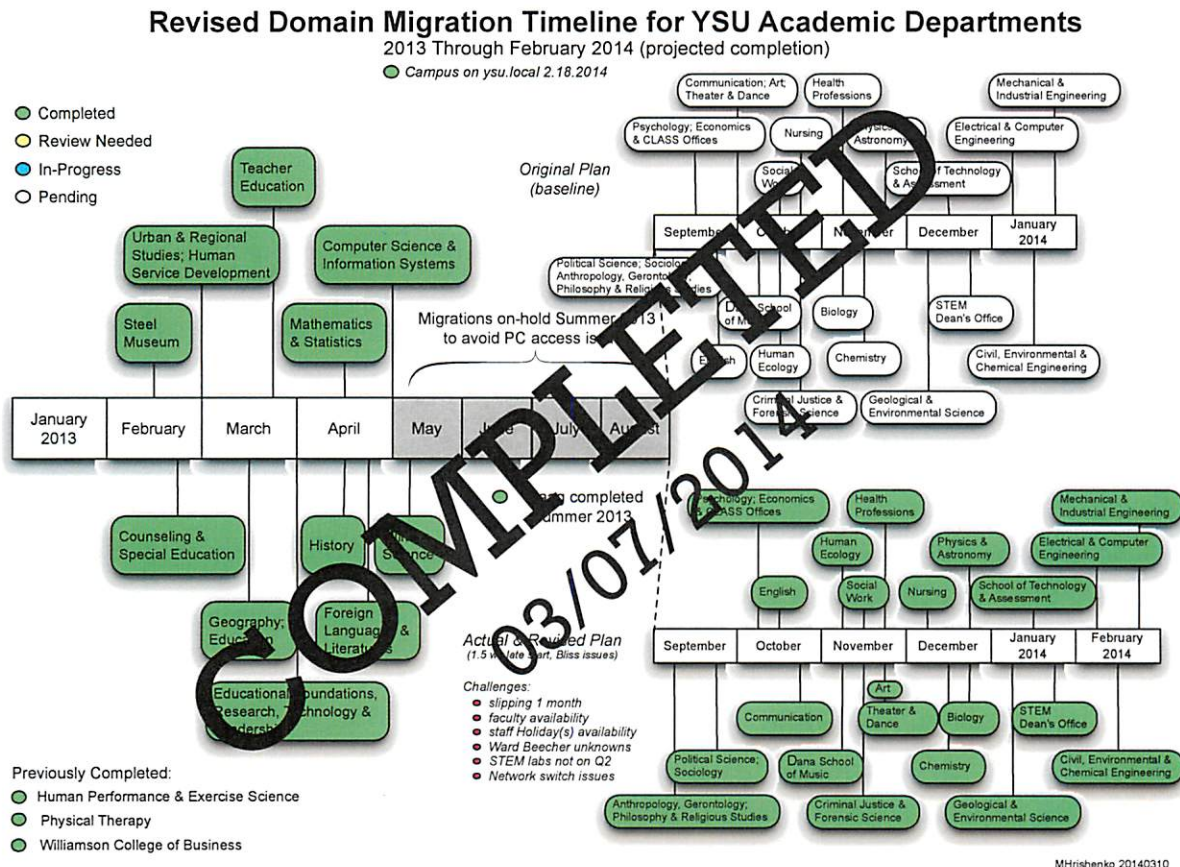
- VMware Consolidation Project is continuing now that Brocade fabric is in place. This initiative will provide a more robust virtualization environment for our server needs.

- Plans continue to be developed to reduce floor space requirements to accommodate our computer hardware which will reduce our future energy, cooling and fire suppression requirements.

- A quote was received from Grunau for the replacement of an obsolete (30 year old) Halon panel for our fire suppression system in the Meshel Hall datacenter.

- After determining that the Tod Hall basement lacked emergency power requirements for our backup datacenter needs, we have found space in Williamson Hall to house our backup server, automated tape library and networking hardware. This will separate the location of the backup media (Williamson Hall) from the location of the actual data (Meshel Hall).

- Testing cPanel, on-site web hosting software, to publish unofficial web pages authored by YSU students, faculty, and staff.

- Investigating and patching code exposed to Heartbleed vulnerability.

- Continue to work with the desktop support group on the Domain rollup and Q2 network upgrades which are both coming close to an end.

- Working with Facilities on data and voice networking needs for both the Veterans Center and DeBartolo Hall Renovations Phase II projects.

- Advertised, interviewed, and selected a candidate for the Associate Director of ITS Operations. An offer has been extended to the candidate.

- Printed and distributed 8,437 parking permits to Parking Services and 38,330 faculty evaluation scan sheets to Human Resources for spring term.

- A Computer Operator 2 working in ITOS was reassigned as a Network Technician 1 working at the Tech Desk from April 20th through August 9th replacing a Tech Desk staff member assigned to the XP Upgrade project.

Media & Academic Computing – M. Hrishenko

During the first quarter of calendar year 2014, units within Media & Academic Computing (M&AC) resolved over 6,000 service requests from students, faculty, and staff to assist with technology issues. Complimenting these efforts are the following achievements:

- Enterprise domain (four year) project completed 03/07/2014 (see diagram below). *Major achievements of this project include:*
    - *A standardized, consistently managed campus computer environment (Domain)*
    - *On-site assessment, clean up and migration of over 4,000 campus computers*
    - *Reconfiguration of all networked printers including print limits in computer labs*

- o *Installation of Symantec Management Agent permitting automated maintenance*
- o *Moving over 4,500 devices from the legacy to the upgraded YSU Q2 network*
- o *Improved security through better, more responsive computer account permissions*
- o *Consolidation and virtualization (better reliability, security and support) of servers*
- o *Standardization and deployment of network storage to staff and departments*
- o *Enhanced Active Directory services benefitting this and other projects (e.g., O365)*
- o *Creation of an enterprise focused infrastructure team (ITIE)*
- o *Project leadership experience for multiple M&AC staff members*

Revised Domain Migration Timeline for YSU Academic Departments
2013 Through February 2014 (projected completion)

MHrishenko 20140310

- ▪ <u>Windows XP migration project.</u> *Work began the first week of March to upgrade over 1,000 campus computers from the Windows XP operating system to Windows 7. For each XP computer, the work involved includes:*
  - o *Assessing computer hardware to determine if minimum Windows 7 standards are met*
  - o *Installation of the Windows 7 operating system on a separate computer*
  - o *Installation of user specific applications*
  - o *Migration of data (i.e., files, emails, etc.)*
  - o *Quarantine of the replaced computer for two to three weeks to ensure no data loss*
  - o *Redeploy or removal from service of displaced PC-based hardware*

Upgrades are occurring in priority order by department. The priority determination is made based upon potential risks to an area through continued use of the outdated Windows XP operating system. As of April 22, 2014, the project is 20% complete.

- <u>Tech Desk First Contact Resolution.</u> *Last calendar year, Tech Desk staff began measuring and working to improve an industry standard performance measure known as First Contact Resolution (FCR). The associated goal for the Tech Desk was to resolve as many questions/concerns/problems as possible at the time of initial contact from the student, faculty, or staff member requesting assistance. As the chart below illustrates, within a year of beginning to track this performance measure, Tech Desk staff exceeded their goal of achieving 65%. FCR increased from 61% in the 3rd quarter of FY13 to 80% in the 3rd quarter of FY14. That this was achieved at the same time 3rd quarter requests for assistance increased from 2,484 to 3,027 (22%) is especially significant.*
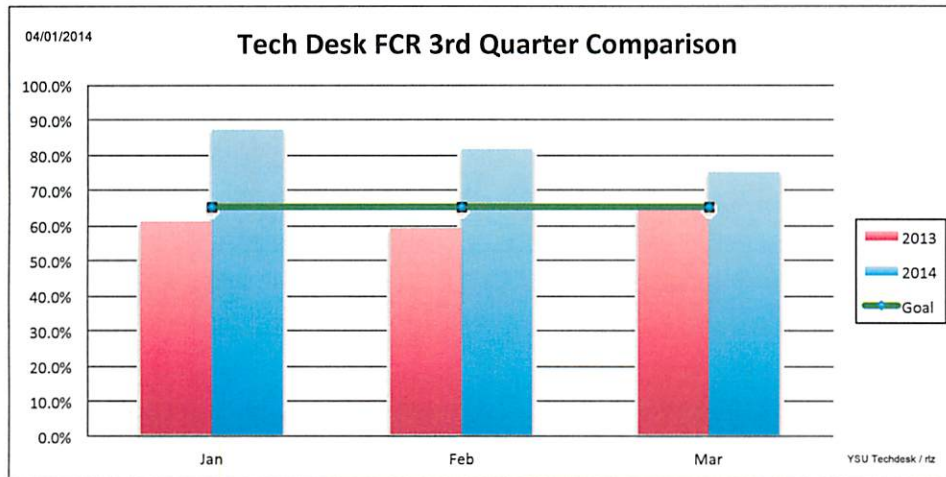
- <u>eBulletin and Drupal.</u> *The Media & Academic Computing Media Design team is working with the Web Design team to create a completely online version of the YSU undergraduate catalog. To date, web page mockups for three colleges have been completed, sent out for proof, and returned for final edits. Pages for the STEM College are out for proof and web page design is in-progress for CLASS and the general information sections. Work on WCBA pages will begin the last week of April 2014. This initiative makes catalog information more accessible and will help to reduce print costs and paper consumption/waste. For this initiative, the Media Design team learned and developed web page content using Drupal. As an open source alternative to the paid content management system at YSU, Drupal use for this project is another step toward potential savings through open source software utilization.*

- <u>Moka5.</u> *Work continues on the Moka5 desktop virtualization solution. Recapped briefly, Moka5 deploys a standardized, secure, consistently maintained but customizable YSU desktop that runs in a virtual mode on another computer. No persistent network connection is required and major infrastructure costs are avoided. Currently the solution is available to individual users for an annual subscription cost. Beyond individual use, Moka5 can also be used in a kiosk or lab mode. The lab mode solution currently in test is anticipated to permit multiple operating systems to be preinstalled and user selected on a lab machine. All such machines are then managed and updated through a single console (i.e., when the console is updated, the updates are automatically received by all associated PCs).*

- <u>M&AC staff is participating in other projects including:</u>
  - *Master Control Suite upgrades for Interactive Distance Learning*

    o *Enterprise anti-virus replacement*
    o *Assessments for additional multimedia classrooms*
    o *Password expiration and change initiative*
    o *Replacement solutions assessment for YSU portal groups*

Network Security – F. Betsa

- Remote removal of the McAfee Host Intrusion Prevention Service (HIPS) is completed leaving 44 machines on campus needing manual removal. The MS Windows firewall has been configured through domain policy as a replacement. The new Symantec anti-virus solution will be managed through the Altiris system by the Classroom Technology Services group and is scheduled for completion August 2014.

- The PCI compliancy certificate has been successfully renewed in conjunction with the Director of Student Accounts and University Receivables.

- The necessary updates were successfully installed to our Palo Alto malware prevention appliance in response to the "Heartbleed" SSL vulnerability.

- Fifteen instances of sophisticated "phishing" attempts against University email accounts have been successfully remediated. "Phishing" is an attempt to gain user credentials through malicious means so that accounts can be used without authorization.

Open Source Systems & Web Programming – K. Schindler

Project highlights include the following:

- eBulletin – The updates for the FY15 ebulletin are progressing slightly ahead of schedule. Next year will be the first year a hard copy bulletin will not be published.

- Drupal Website Conversion – IT staff are qualifying consultants to aid in the layout and underlying technical design of the new website. Conversion and training time lines are still being defined.

- Kuali Modules – IT staff are working with a consultant to install the FAR and eDossier modules of the Kuali system. These modules were developed at Indiana University to reduce faculty paperwork associated with the Faculty Annual Reporting (FAR) and the Tenure and Promotion (eDossier) processes that are paper intensive processes. We will be piloting these systems in three departments in FY15.

- Sakai – An evaluation committee has recommended that YSU pilot the Sakai Learning Management System in SP-15 or SU-15. If the pilot is successful, YSU will transition to Sakai and stop using Blackboard on July 1, 2017.