THE UNIVERSITY OF WYOMING
FINANCIAL CRISIS ADVISORY COMMITTEE
MINUTES OF THE COMMITTEE

Tuesday, July 12, 2016
12:00 - 2:00 p.m.
Coe Library 506; University of Wyoming Campus

AGENDA
Call to Order .................................................................................................................................................. 1

Roll Call and Approval of Minutes.................................................................................................................. 1

Public Session
   I. Presentation by Andrew Laws, Huron Consulting Group ................................................................. 1
   II. Report from Revenue Enhancement Subcommittee (added during the meeting) ...................... 2
   III. Program Assessment ......................................................................................................................... 3

Adjournment .................................................................................................................................................. 3

Attachments .................................................................................................................................................. 4
Call to Order
Chair Steve Bieber called the meeting to order at 12:04 p.m.

Roll Call and Approval of Minutes
Committee members present included: UW President Laurie Nichols, Vice President for Academic Affairs David Jones (via conference phone), Vice President for Administration Bill Mai (via conference phone), Dean of the College of Law Klint Alexander, Dean of Outreach Susan Frye, Dr. Robert Sprague, Dr. Frederic Sterbenz, Dr. Robert Cawley, Chair Steve Bieber, Ms. Molly Marcusse, Mr. Kevin Colman, Ms. Rachel Stevens, and Mr. Joel Defebaugh (via conference phone). Incoming Provost Kate Miller and Dr. Donal O’Toole were not present. Associate Vice President for Administration Janet Lowe, Associate Vice President for Communications and Marketing Chad Baldwin, Research Aide Brian Schueler were also present for the meeting.

Mr. Kevin Coleman moved to approve the minutes from July 8, 2016, as presented. Dr. Sterbenz seconded. All committee members were in favor; the motion passed unanimously.

Public Session
Presentation by Andrew Laws, Huron Consulting Group
Associate Vice President for Administration Janet Lowe introduced and shared the backgrounds of Mr. Andrew Laws and Mr. David Jewel from Huron Consulting Group. The committee also introduced themselves to the presenters. Mr. Laws discussed the work Huron Consulting group was undergoing for the University, and share a handout with the committee [see attachment A]. He explained that as part of their charge, they were evaluating UW’s nonacademic units to find efficiencies. He noted that Huron was working with a ten person steering committee made up of UW employees to guide this evaluation. Mr. Laws stated that Huron Consulting was also assisting UW reshape its business operations by implementing a new technology system to address financial management, human capital management, budgeting, and grants management. He discussed how Huron was carrying out this evaluation by using methods such as interviews with stakeholders. Mr. Laws noted that once all the interviews were completed, Huron would create a menu of efficiencies that UW could chose to implement. He noted that each menu item would include the projected cost savings, a rating in terms of service level impact, risk UW may face with implementation, difficulty associated with implementation, and benchmarking data. Mr. Laws explained that this menu of items would be shared with the steering committee, and that Huron would assist with implementation of the items the steering committee selected. There was discussion on the makeup of the steering committee, and it was noted that staff were include on this committee but that the names of steering committee had not yet been announced. Mr. Jewel briefly explained some of the long term strategies Huron was proposing to implement at UW, such as cloud based technology. The committee discussed the need to create a culture of change at UW in order to implement some of these technology changes.

Mr. Laws shared some areas where Huron typically finds opportunities for efficiencies at universities, as well as some of the challenges universities typically face when implementing these changes. The committee discussed if this review of UW’s nonacademic units for efficiency was part of Huron’s original charge with UW. Mr. Laws noted that this review was a standard part of contracts of this nature. The committee then discussed its timeline for implementing a financial crisis plan and how that timeline aligned with Huron’s timeline of analyzing UW’s nonacademic
units. It was noted that the committee’s timeline was shorter than Huron’s, and the committee discussed the possibility of extending their timeline so the campus could use the information gained from Huron’s work.

There was also discussion on if there should be a liaison member of the FCAC on the steering committee, as well as how both the FCAC and the steering committee could work together in a collaborative manner. Mr. Laws noted that there already was some overlap, and the committee decided to not appoint an additional liaison to the steering committee. He stated that he was happy to provide updates on a regular basis to the FCAC.

The committee then returned to a discussion of modifying their timeline to work in conjunction with Huron’s timeline. Dr. Sprague moved that the committee ask UW President Nichols to request from the Board of Trustees an additional four-week extension to present a plan. Dr. Cawley seconded. There was further discussion on what a modified timeline would look like for the FCAC, including presenting the plan to the Board of Trustees at their November 2016 meeting. Dr. Sprague made a friendly amendment so that the motion would include the new dates proposed, which were as follows:

- **Oct. 4** FCAC presents a plan to UW President Nichols
- **Oct. 5-10** UW President Nichols reviews proposed plan
- **Oct. 11-Nov. 1** Plan is shared with the campus and comments are solicited
- **Nov. 2-8** FCAC reviews the comments and prepares the final plan
- **Nov. 8** FCAC presents final plan to UW President Nichols
- **Nov. 9-16** UW President Nichols prepares the final plan
- **Nov. 16** UW President Nichols presents the final plan to the Board of Trustees

Dr. Cawley accepted the friendly amendment. All committee members were in favor, and the motion passed unanimously. There was discussion of how to find inefficiencies in the academic units on campus. Dr. Sprague moved that the committee schedule Huron Consulting to present options for academic program assessment and efficiencies. Dr. Sterbenz seconded. There was discussion on if this was necessary, or if it would be better to have Huron Consulting meet with personnel in Academic Affairs to discuss efficiencies. It was decided that it would not be useful for the committee to have Huron Consulting review academic efficiencies, so the committee voted down the motion, with only Dr. Sprague and Dr. Sterbenz voting in favor. There was further discussion on how efficiencies could be gained at UW, and how much money UW needed to reduce.

**Report from Revenue Enhancement Subcommittee**
Chair Bieber noted that this topic had been added during the meeting. Dean Frye gave a brief update on the Revenue Enhancement Subcommittee. She noted that the subcommittee had received their charge from UW President Nichols, and that their charge was to create a list of program fees to generate revenues in FY18. She noted that the subcommittee would be meeting twice a week. There was discussion on the amount of fee increase the subcommittee would recommend, and how the new proposed fees would integrate with the current fee book.
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Program Assessment  
The committee then discussed the proposed Program Assessment Document. There was discussion on the amount of money proposed to be cut from the FY18 budget, as the committee proposed to cut $15 million instead of the original $10 million, as some of the savings from cuts in FY17 might not have been fully realized. The committee discussed the current amount of savings realized in FY17, and how the current cost savings initiatives may fall short of their anticipated goal. The committee discussed distributing those costs proportionally across the University based on each unit’s percent allocation of the block grant. It was noted that further cuts from scholarships, utilities, and the police force would be exempt. There was discussion on if some areas had already been more impacted by budget cuts than other areas. Dr. Cawley moved that the committee approve the areas and amounts of funding reductions in the Program Assessment Plan, section III. Chair Bieber explained a few minor changes that had been made to the document since the committee had reviewed it. All committee members were in favor, and the motion passed unanimously. It was noted that this information would now be shared publicly.

There was discussion of the language in section IV of the Program Assessment Plan, and Chair Bieber requested that the committee reviews sections IV and V and provide comments at the FCAC meeting on Friday, July 15. There was discussion on the need for a town hall meeting, as well as providing an email address to allow constituents to provide comments. Chair Bieber noted that these topics would be addressed in more detail at the meeting on Friday, July 15.

Adjournment  
Dr. Cawley and the committee shared their appreciation for the assistance provided by Laura Shevling in the President’s Office. Dr. Cawley moved that the committee adjourn the meeting. Dr. Sprague seconded. The committee adjourned at 2:09 p.m.

Respectfully submitted,

Laura Shevling
Senior Administrative Assistant
University of Wyoming
Interviewee Communication
July 11, 2016

TO: Stakeholder Interviewees
FROM: UW President Laurie Nichols
SUBJECT: Performance Improvement Assessment

Like many universities across the country, the University of Wyoming faces a number of unique challenges with regards to the rising costs of higher education. With the recent Financial Crisis Declaration, the University of Wyoming is on an accelerated timeline to operate as cost-effectively as possible, and to optimize the use of resources provided by the Federal and State governments, students, parents, alumni and other interested parties.

In addition to the work being done by the internal Financial Crisis Advisory Committee, the University of Wyoming is undertaking a comprehensive review to analyze the operational performance of the administrative functions at UW. To assist us in this effort, we have engaged with Huron Consulting Group. In addition to being a trusted partner for the University of Wyoming over the last year, they have conducted similar performance improvement reviews for more than 40 of the top 100 research universities in the US.

Gathering input from stakeholders across campus will be critical to the success of this initiative. To that end, Huron will be conducting stakeholder interviews over the next several weeks and would appreciate your participation. The goal of these interviews is to help the Huron team to understand the strengths and weaknesses of UW’s current operations, and identify where departure from the current operating state should be explored further. You will be contacted by Stacey Holzwarth from Shared Business Services to schedule your interview. Please support this important University-wide effort by participating fully and candidly. Huron may share your suggestions with members of the Steering Committee but they will not share your identity.

It is our intent to be open and transparent throughout this process. The Steering Committee and Huron will continue to update you on the progress of their work and will solicit feedback on opportunities identified whenever possible.

The success of our university rests on our ability to transform our operations so that we may thrive in the face of our challenges. The project we are undertaking with Huron is essential to that effort, and we look forward to working with each of you on this important project.
University of Wyoming Current Content

Given the financial challenges facing the University, on June 16th, President Nichols declared the University is in a state of financial crisis, and outlined a number of steps designed to strengthen the financial profile of the institution.

- During the University of Wyoming Town Hall on June 25th President Nichols presented both Guiding Principles and a strategy to drive efficiency, reduce cost, and increase revenue

- Establishment of the Financial Crisis Advisory Committee (FCAC) to consult with the preparation of a Financial Crisis Plan which will be submitted to the University’s Board of Trustees

- Engagement of Huron Consulting Group to undertake a comprehensive review to analyze the operational performance of the administrative functions at the University
  - Huron’s efforts will be guided by an Executive Steering Committee, comprised on selected vice-presidents, deans, administrators and faculty members

The overall goal of these initiatives is to deal with the financial situation at hand, and to position the University to look beyond this budget and pivot the University for a positive future.
University of Wyoming Project Context

Huron has been assisting the University with a variety of initiatives since August 2015, including performing a financial reporting assessment and helping the University prepare for a number of software implementations.

- The University is preparing for a significant undertaking which will re-shape the way business operations are performed; performance improvement projects will serve to help ensure that operations are optimal in advance of anticipated technological changes.

- The University will be kicking off the Financials, HCM, Budgeting, and Grants Management software implementations in the coming months.

- Aligning performance improvement projects with this implementation is the ideal method and would produce the maximum benefit to UW.

- The functional areas we plan to partner with include, but are not limited to:
  - Human Resources
  - Finance and Accounting
  - Procurement
  - Facilities
  - Information Technology
  - Research Administration
  - Student Administration
  - Auxiliary Enterprises
HE Performance Improvement Assessments

The negative effects of the struggling economy have considerably increased the frequency with which universities are undertaking comprehensive administrative operational assessments.
Performance Improvement Assessment Approach

The following outlines our timeline for UW’s performance improvement project.

<table>
<thead>
<tr>
<th>Task</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
<th>Week 8</th>
<th>Week 9</th>
<th>Week 10</th>
<th>Week 11</th>
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<td>1. Plan</td>
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<td>3. Analyze</td>
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<td>5. Evaluate and Finalize Deliverable</td>
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### Performance Improvement Assessment Results

While all administrative assessments have unique elements to their approach, a typical assessment follows a similar phased format.

<table>
<thead>
<tr>
<th>Cost/Revenue Categories</th>
<th>Opportunity Categories¹</th>
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<tbody>
<tr>
<td>Enrollment Management</td>
<td>Enrollment Management</td>
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<tr>
<td>Education Platform</td>
<td>Online/Distance Learning</td>
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<td>Auxiliaries</td>
<td>Auxiliary Services</td>
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<td>Advancement</td>
<td>Advancement</td>
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<td>Salary and Wages</td>
<td>Organizational Assessment</td>
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<td>Benefits</td>
<td>Employee Benefits</td>
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<td>Supplies/Services</td>
<td>Procurement/Sourcing</td>
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<td>Physical Plant</td>
<td>Facilities and Space Management</td>
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<td>Sponsored Research</td>
<td>Research</td>
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<td>Administrative Support Structure</td>
<td>Information Technology</td>
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<td>Student Services</td>
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<td>Human Resources</td>
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<td>Other Admin</td>
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Notes: ¹ First number reflects the average opportunity savings, when fixed. Second number reflects the percentage of projects the opportunity is fixed in. Area offers reflects the average expected value of each opportunity.
Common Challenges

There have been many challenges that have been cited by Colleges and Universities when assessing and implementing cost reduction and/or revenue enhancing opportunities.

Common Criticisms/Challenges:

- Budgets are owned locally; University leadership doesn’t have the right to dictate how these funds are used
- Centralized services won’t meet the unique needs of distributed resources
- Changes shift the burden of expenses between departments, rather than eliminating them, minimizing potential savings
- Not all costs identified are hard dollar savings, efficiency savings aren’t real savings
- Data used to support business cases is inaccurate, incomplete, or unreliable due to limitations in shared data sets
- Efficiency opportunities, specifically shared service or centralized models, will impact the University’s sense of community, and weaken department commitment to academic mission

Diligent project management, frequent communication, and data-driven recommendations can help alleviate these challenges and lead to successful implementation.
Lessons Learned

It is critical that the approach to assessing the landscape produces specific, actionable recommendations that can result in substantive changes/improvements.

Obtaining Change Adoption
- Clearly articulate campus and leadership initiative objectives and desired end-goals at the start of any effort
- Utilize data-driven business cases and objective measures to depersonalize and depoliticize change

Prioritizing Change
- Prioritize opportunities for implementation based on objective goals and realistic fortitude for change
- Pursue opportunities for enhanced enterprise-wide resource stewardship to provide institutional benefits

Managing Change
- Clearly understand the University’s appetite for change and ability to effectuate change management
- Ensure opportunity selection and implementation is driven and supported by leadership
- Ensure planning process realistically considers required timeframe and assesses potential risks and mitigation measures
- Engage faculty, business process owners, and key campus stakeholders in solution development

Making Change Last
- Establish methods to continually measure savings achieved and track progress following implementation
- Systematically update campus stakeholders on progress achieved to ensure continued commitment
Next Steps

The Performance Improvement efforts were initially slated for November; however, recent events and support from the Deans suggest the summer may be a more optimal start time.

- Finalize project timeline, scope and team
- Develop plan for campus engagement

<table>
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<tr>
<th>Project Work Stream</th>
<th>Approximate 36 Month Timeline</th>
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<tbody>
<tr>
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<td>FY16</td>
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<td>Software Selection</td>
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<td>Chart of Accounts &amp; Planning</td>
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<td>Reporting and Analytics</td>
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<td>Financials (Includes Grant Financial)</td>
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<td>Human Capital Management (HCM)</td>
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<td>Budgeting</td>
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<td>Grants (AR, Billing, etc.)</td>
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<tr>
<td>Performance Improvement Opportunities</td>
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Questions?